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## CIVIL SERVICE NEUTRALITY

*S. Lall*

THE concept and practice of civil service neutrality is vital to the successful functioning of a parliamentary democracy. The tradition of civil service neutrality in India is a heritage of British rule. The British Civil Service is world famous for its political neutrality, impartiality and integrity. "The characteristic which has long been recognized in the British administrator and extolled as a special virtue is his impartiality, and, in his public capacity, a mind untinged by political prepossession."<sup>1</sup> The civil services of independent India have also a creditable record in matters of political neutrality. The manner in which the members of the Indian Civil Service have adapted themselves to the changed social and political conditions of post-independence India and the ability they have shown in shouldering new and increased administrative responsibilities in economic and welfare matters are ample testimony to their non-partisan character.

The traditional concept of civil service neutrality is, however, undergoing radical change under the impact of many factors some of which are common to all nations and others special to under-developed countries like India. The concept, as we shall see presently, is being rapidly transformed, without a conscious realisation, from a negative doctrine of political sterilization and neutrality to a positive, non-partisan participation in the management of the country's affairs. It would perhaps be appropriate to examine here, in the first instance, the various developments which tend to destroy the time-old concept of civil service neutrality, as also to take stock of the forces which are working towards its re-orientation and reinforcement in a more positive form.

The traditional doctrine of neutrality is based on a dichotomy of the governmental process into *politics and administration*, i.e.,

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1. *Report of the Committee on the Political Activities of the Civil Servants*, (Chairman : J.C. Masterman), Cmd. 7718, H.M.S.O., London, 1949, p. 14.



'decision' and 'execution'. The main functions of the political executives are supposed to be decision making and policy formulation; of administration, the execution of policies so formulated. The "politics-administration" dichotomy might have been true two hundred years ago; but it is hardly valid today. The process of decision making is no longer confined to the ministers; it is diffused over the entire system of government. Government is one, a unity. The ministers may give final shape to policies, but these policies and sub-policies are being constantly readjusted in a seamless web of a multiplicity of agencies. The decision making process has recently become very complex and dispersed as a result of the enormous increase in the scale and scope of governmental activities (particularly in matters of welfare and state enterprise), the pressures thrown up by the democratic processes involved in the establishment of an egalitarian society and the increasing complexity of modern civilization. The higher echelons of the civil services today not only advise and assist the ministers in the formulation of policy; they indirectly influence decision making. While, in theory, civil servants are supposed to advise ministers about the practical advantages and disadvantages of a particular policy or course of action, and *not* at all on its political aspects; in reality, the political and practical considerations are often inseparable. Politics and administration are increasingly becoming so inter-mixed that the traditional concept of their segregation is today merely a fiction. Administration is no longer just the execution of policy; it reacts upon policy and actively participates in its making.

The doctrine of civil service neutrality represents a particular stage in the development of the political party system of government. One of its main tenets is that the civil servant should serve loyally the government in power, no matter what is its party complexion. The doctrine presumes a substantial agreement between the various political parties of the country in regard to the basic framework of the State. When the Labour Government first came into power in England, doubts were expressed about the ability of civil servants to serve it as faithfully as it had served the Conservative Government. Harold J. Laski observed: "No Government, in the period of the modern Civil Service, has embarked upon measures which have called into question the foundations of the State. Succeeding Governments have differed in degree; they have not yet differed in kind. The neutrality of the Civil Service has not yet been tested by the need to support policy which, like that of a Socialist Party, might well challenge the traditional ideas for which it has stood."<sup>2</sup> These doubts have since, so far

2. *Parliamentary Government in England, London, 1938*, p. 317.

England is concerned, been dispelled by the high tributes paid to the impartiality and neutrality of British Civil Servants by top ranking Labour leaders like Mr. Herbert Morrison and Mr. Clement Attlee.<sup>3</sup> That, however, has in no way clinched the issue. With the expansion of the public sector and the increase in the regulation and control of private enterprise, the gulf between the political parties, in many modern States, has narrowed down in certain respects; it has also widened in regard to many other matters. Both these developments have tended to disrupt the traditional concept of civil service neutrality. The narrowing of the gulf in regard to certain matters of the party programme has given to the civil servants a greater weight in the determination of policies. For instance, two parties may stand for nationalisation of an industry but disagree in regard to the quantum of compensation to be paid. The civil service would in these circumstances develop certain ideas of its own. How could it be expected to marshal the same facts and figures to support the two divergent policies if one party succeeds another before nationalisation is carried out? Again, the widening of the gulf in regard to some basic issues may strain the loyalty of civil servants, steeped in a particular tradition and value-structure, to a breaking point. A similar situation may also arise as a result of general political instability in the country. How the widening of the gulf between the political parties, or political instability, affects civil service neutrality is well illustrated by developments in some of the Latin-American and South-East Asian countries in recent years.

A third factor is the pivotal role the civil servants are being called upon to play in under-developed countries, especially those of South-East Asia. These countries have in recent years embarked upon ambitious plans of development; they are simultaneously engaged in the new and difficult task of working infant, sovereign democracies. The successful carrying out of tasks of both types—development and democratization—requires on the part of administrators not only qualities of initiative, leadership, and taking of responsibility but also an emotional and intellectual integration into what may be called democratic social values, *i.e.*, habits of democratic thought and living, of sub-ordination of sectional interests to considerations of public good. In the administrative politics of today both factual elements and human values are blended together, inextricably, they cannot in practice be strictly separated.<sup>4</sup> "Public Administration is closely

3. Herbert Morrison, *Government and Parliament* (London, 1954), pp. 334-336; and Clement Attlee, "Civil Servants, Ministers, Parliament, and the Public," *Political Quarterly*, Vol. 25 (October-December, 1954), pp. 308-315.

4. Herbert A. Simon, *Administrative Behaviour*, Macmillan, New York, 1957, p. 57.

intertwined with, and dependent upon the nation's political institutions, traditions, and ideals in a general sense. Public administration is not something set apart from, but is an integral part of the whole system of popular government and democratic ideals".<sup>5</sup> The concept of civil service neutrality is thus rapidly taking a new shape and content.

## II

For a fuller understanding of the new concept of civil service neutrality which is emerging, the main elements of the traditional concept and practice evolved during the nineteenth century and the first half of the twentieth century need examination. In Great Britain, for purposes of participation in political activities, the non-industrial civil servants are divided into three groups; (1) a "free" area of all varieties of partisan activity short of "blatant violation of the public trust"; (2) an intermediate group, covering roughly the middle ranges of the service from typists to higher clerical officers, which is allowed to undertake (subject to an innocuous code of discretion) all forms of political activities except parliamentary candidature; (3) a restricted group composed of the higher officials of the service, which is denied all political rights except voting, passive party membership, and local government activity, the latter to be engaged in only with departmental permission and after the individual has agreed to a code of discretion. 62% of the civil servants fall into the "free" area, 22 per cent. into the intermediate group, and 16% into the restricted class. The present arrangements are based on the recommendations made by a Whitley Council Committee within the general principles of the Masterman Committee Report.

The British practice today represents an excellent reconciliation between the vital need to preserve public confidence in the integrity and political impartiality of the civil service and the civil rights of Government employees. The all-service rule is "a general exhortation of long standing" to the effect that "civil servants are expected to maintain at all times a reserve in political matters and not put themselves forward prominently on one side or the other."<sup>6</sup>

The main ingredients of the British concept of civil service neutrality are: (1) public confidence in the freedom of the civil service from all political bias; (2) ministers' confidence in obtaining loyal service

5. William Anderson and J.M. Gaus, *Research in Public Administration*, Chicago, 1945, p. 106.

6. *Report of the Committee on the Parliamentary etc. Candidature of Civil Servants*, (Chairman; Blanesburgh), Cmd. 2408, H.M.S.O. London, 1925.

from the civil servants irrespective of what political party is in power; (3) high staff morale based on confidence that promotions and other rewards do not depend upon political origins or partisan activity but on merit alone. About the first two, the general tenor of the evidence from senior officials before the Masterman Committee was "If Civil Servants . . . were allowed freely to engage in politics, to stand for Parliament, to return to the Service after sitting as M.P.s, and thus to declare their adherence to one party or the other, the public's belief in their impartiality and the Ministers' confidence in their ability to give equally loyal service to whichever party was in power would rapidly be destroyed with disastrous results to the Service and to the country".<sup>7</sup> The Masterman Committee, supporting the recommendations made by the Blanesburgh Committee in 1925 about "the necessity of maintaining, without possibility of question, the public confidence in the political impartiality of the Public Service", further observed : "This need is, we think, axiomatic and will not be disputed. On the contrary, we believe it will be generally agreed that the efficient and smooth working of democratic government depends very largely upon maintaining that confidence and on people believing that, notwithstanding political change, the Civil Service will give completely loyal service to the Government of the day. We think, moreover, that the extension of the functions of the State in the last few decades greatly increases the need for maintaining the impartiality of the Service. We have worked upon the assumption that this confidence must be maintained even at the cost of certain sacrifices. Entry into the Civil Service is a voluntary act and there can be no reasonable complaint if the conditions of service include some restrictions (as is the case in certain other professions and employments). The public interest demands, at least amongst those employees of the State who correspond with the common conception of the Civil Service, a manner of behaviour which is incompatible with the overt declaration of party political allegiance."<sup>8</sup>

As regards the third ingredient of the concept of civil service neutrality, concerning the relationship between civil servants and his fellow employees, it is well recognized that "the suspicion that promotions and other rewards depend upon the proper political allegiance or a prescribed amount of partisan activity would constitute a danger to the merit system, the morale of the career service, and the prospects for a greater professionalization of the administrative process. A really substantial commitment to political action, it is thought, would

7. *Report of the Committee on the Political Activities of Civil Servants*, Cmd. 7718, H.M.S.O., London, 1949, p. 13.

8. *Ibid.*, p. 14.

undercut staff morale and raise a multitude of suspicions, legitimate or otherwise." "By insulating its career servants from this involuntary identification with partisan policies, the British have enhanced the possibility that a tradition of impartiality may be cultivated and have removed one threat to intra-service morale."<sup>9</sup>

The concept of political neutrality in England, as elsewhere, is conditioned by the institutional and value-structure of the nation's political system. "Civil service neutrality in England grew out of the requirements of parliamentary government, where the absence of fixed terms of elected officials and where the possibility of quick changes in government make the continuity of the administrative personnel essential. It was also an instrument for guaranteeing that the popular will, as expressed by Parliament, would be loyally carried out by the administrative staff."<sup>10</sup>

In the United States, restrictions on the political activities of the civil servants are more severe than in Great Britain. Legislation or, more frequently, departmental regulations place varying restrictions on the activities of employees depending upon the nature of their work and their relations with the public. The main provisions are embodied in the Hatch Act and the policies and regulations set forth in the *Federal Personnel Manual*, particularly Chapter C2, "Conduct". State and local conditions are extremely diverse but have been strongly influenced by the Hatch Act, in particular by the extension to employees paid in whole or in part out of Federal grants-in-aid. The principal limitations upon political activity fall into four groups: (1) those prohibiting the solicitation of campaign contributions or party funds and the holding of office in party organisations; (2) those prohibiting campaign activity; (3) those dealing with political candidature; and (4) limitations on the right to organise and on the use of organised pressure to further the interests of the membership, particularly in association with a partisan group. The Hatch Act prohibits, in the main, all categories of civil servants from 'assuming any active part in political management or political campaigns.' Removal from office is prescribed as a mandatory penalty for violation.

This greater political sterilization of civil servants has not, however, led to the same beneficial results as in England. This has been primarily due to the prevalence of the 'spoils' system in that country. As Spero points out:—

"Despite their severity, the civil service regulations

9. James B. Christoph, "Political Rights and Administrative Impartiality in the British Civil Service," *American Political Quarterly*, Vol. LI, No. 1, (March 1957), p. 74 and p. 86.

10. Sterling D. Spero, *Government as Employer*, Remsen, New York, 1948, p. 55.

and the Hatch Act do not touch the central problem of political influence in the federal service, namely, the interference of Congress and outside politicians with internal administrative and personnel processes. Every federal employee, particularly in the field service, knows that the important positions are filled not on the basis of merit and efficiency, but on the basis of political affiliations. This condition divides the workers into two groups : those who refuse to play the political game and seek outside help for their advancement, and those who will use any means to gain their ends. The second group includes a large number of employees whose work is unsatisfactory and who seek the protection of the political club to save them from the results of the disapproval of their chiefs. These employees, once in a political organisation, become increasingly active in ways beyond the reach of laws and regulations and soon become aspirants for promotions to better jobs. A large number of supervisory posts thus come to be manned by persons drawn from the least qualified".....<sup>11</sup>

The Presidential system of Parliamentary Government with a rigid separation of powers gives the American Cabinet much less control of the legislative processes than in Great Britain and India. The "bureau chiefs", some of whom are drawn from the federal civil service, therefore, find it essential to build up support in Congress from among the members of both the political parties who are favourably inclined towards the bureau programme. Effective building up of support in Congress has thus become a substantive function of the bureau administrators, whether political appointees or civil servants. This political aspect of the duties of bureau chiefs was recently emphasised by Dean Harlan Cleveland of Maxwell School of Citizenship and Public Affairs, Syracuse. In an address to the Indian Institute of Public Administration he stressed that the American executive has to be imbued with a sense of public interest, be at ease with the growing complexity and be a leader of men.

It will be interesting to note here that the Second Hoover Commission has recommended that 'career administrators', as rapidly as possible, should be relieved by non-career executives of responsibility for advocacy or defense of policies and programmes and should be

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11. *Ibid*, p. 30-51.

kept out of direct participation in political controversies.<sup>12</sup> The Commission has also recommended the creation of a 'politically neutral' Senior Civil Service. The Task Force on Personnel and Civil Service set up by the Commission has commented as follows on the political role of the bureau and division chiefs in the federal government :

"The department heads left it to bureau chiefs, and the bureau chiefs relied upon division chiefs to negotiate directly with committees of Congress for legislation and appropriations, to sell new policies to the public, to mobilize support, and to defend the administration's actions. That is, the basic duties of political leadership were devolved upon men far down in the administrative hierarchy who presumably were on the civil service career ladder. Career civil servants at grades 13 and 14 found themselves across the table with senior Senators and Representatives arguing for proposed legislation, pleading for appropriations, and defending the administration's position in other ways. They worked with interest groups; they made public speeches on unsettled questions of policy; they took the 'heat' off political issues. They fought the political battles of their divisions or bureaus with very little assistance from the department heads. This was not always the situation, but it tended to be a common pattern.

Although this kind of political activity was thrust upon administrators several echelons below the top, it must be noted that it was not always unwelcome. Many bureau and division chiefs learned to be effective in the political role, and some relished the part. One consequence was to throw the administrator into the arms of those groups most concerned with his organization's operations. The support of organised interests was invaluable in securing legislative and financial support, and such groups had to be cultivated or conciliated. The control of special interests over the Government was greatly increased in this process, and control by the Chief Executive through his department heads was diluted."

To remedy the above state of affairs the Task Force further observed that "the constitutional logic and the practical logic both

12. *Personnel and Civil Service*, A Report to Congress. Commission on Organization of the Executive Branch of the Government, Superintendent of Publications, Washington, February 1955, p. 29.

13. *Report*, p. 4-5.

make clear the need to man responsible executive positions in departmental management with political executives, using career administrators at that level only for staff work and in staff offices. On the other hand, bureau management should be in the hands of career administrators'. . . . 'Political authority and responsibility, must be centred in management at the departmental level. It is the level of control, the policy level—the political level' . . . 'At the bureau level, one echelon below the department, the management requirements and functions are quite different. Although bureau problems are interlaced with policy, they are heavily technical and administrative in character.' 'If political responsibility and authority were to descend to the bureau level and to be fixed there, the public's interest and its capacity to control would be frustrated.'

Comparing the British and American practice in matters of civil service neutrality, we thus find that Great Britain has been able to achieve greater harmony between interests of the civil servant as an individual citizen and his interests as a public employee. "The process of reconciliation has been slow, and it is still going on. It has not been complicated, however, by the insertion of some additional factors—for example, a spoils tradition that subjects government officials to strong party pressures, or political situations in which factions strike at each other by tampering with civil service personnel. By confining the controversy to the questions of public and ministerial confidence and civil rights, the Official and Staff Sides have been able to find sufficient areas of agreement to permit a gradual, but nevertheless liberal, extension of political rights to the majority of classes and grades".<sup>14</sup>

The American scene, however, represents the inter-play of the forces of egalitarian political democracy and a fast developing economy; the application of the concept of the civil service neutrality in that country exhibits certain characteristics and tendencies which are also developing in India. The next part of the article is devoted therefore to the reformulation of the concept of civil service neutrality in the context of political and social conditions obtaining in our country.

#### IV

In India, the civil service conduct rules prohibit the government employees from *active* participation in political activities. They cannot also join any service association which has not either been recognized

14. James B. Christoph, *op. cit.* p. 86.



by the Government within six months of its formation or the recognition to which has been withdrawn. These restrictions are generally observed, though the position is somewhat fluid in the case of "industrial" government employees. At the time of general elections it was alleged that there were certain political activities or bias in favour of the ruling party.

On the whole observance in India of civil service neutrality, to the point of *total* political sterilization of the individual civil servant, has often led to the weakening of initiative and responsibility. That the civil servant should be non-partisan and objective is obvious enough; but that the concept of neutrality should make him colourless and mechanistic to the point of disinterestedness in the public good can hardly be accepted today.

It seems, therefore, necessary here to differentiate between "partisan political activity" and "programme activity" of the civil servant. As Paul Appleby points out "All administration and all policy-making within the Government are political, but only a small part of either, by mass, has identifiable partisan character."<sup>15</sup>

We have already seen how the American career-executive is being increasingly called upon to muster support in Congress for the financial and policy aspects of the bureau programme. A more or less similar development is taking place in India too. Here, while, on the one hand, the number of political executives in Governments is going up as a result of the creation of more and more deputy and assistant ministers, on the other, the requirements of speed and success in the development work require on the part of the top-administrator a positive, bold attitude of mind to push ahead with the programme of his Department with the co-operation and association of the people and their representatives. Even in contemporary England "in the formulation of policy a Higher Civil Servant is advising and assisting a Minister not only to carry through a policy which is the policy of a majority party in the House of Commons, but also to defend that policy against the criticisms and attacks of the party or parties in opposition. He works in the midst of party politics. He must be aware of party politics; indeed he ignores it at his peril. A first requirement of a Higher Civil Servant is a political sense."<sup>16</sup>

While the higher civil servants should be 'imbued with public interest' and should have a lively sense of contemporary politics and a deep understanding of the varied and complex forces at work, they

15. Policy and Administration, Ala. University, 1949, p. 64.

16. K.C. Wheare, *The Civil Service in the Constitution*, Athlone, London, 1954, pp. 26-28.

should not, all the same ordinarily get mixed up with political controversies. Here, one is tempted again to refer to Appleby's illuminating observations :—

“In all governments having systematic civil services the great emphasis is still on keeping politics out of the civil service and out of ‘administration’, without much conscious or extended attention to the bridging problem. It similarly may be said that the invocation of “political neutrality” on the part of civil servants—central to the original reform insofar as the partisan political is concerned—tended to be made to appear to extend to “program neutrality”. The inference sometimes is that an administrator will do as well in carrying on a program he is not much interested as he will in handling one about which he is especially enthusiastic. The inclination was to a belief that ‘administration’ is mechanical, merely technical, unvarying. Politics is essentially the reconciliation of different forces, functions, facts, ideas and interests. All government is political in carrying on this reconciliation. All of it that is not specifically handled by ministers, cabinet or party is handled by administrators. Theirs is the ‘pre-partisan or sub-partisan political’ field.”<sup>17</sup>

As mentioned earlier, the dynamics of our developing economy and egalitarian democracy necessitate on the part of all citizens a living faith in democratic values and a growing dedication to public interest—these are all the more necessary today in the case of civil servants; mainly because, next to politicians, civil servants are in a position of authority to ensure the promotion of the public good. “The most important thing is the acceptance within the higher civil service of a reorientation toward its role. The men of the top cadre must shift their attention from watching ‘processes’ to measuring their impact, from ‘getting things done’ to giving each citizen his due, from the technology of administration to its effect upon the general public, from utility to ethics. Not what is being said but what is being done will decide whether the ‘administrative state’ will stand out eventually as a benefactor or as a destroyer. It is for the civil servant to realise that much of which can be done must be his doing.”<sup>18</sup>

The civil servant must observe “neutrality” as between the political parties; he cannot, however, afford to be neutral in regard

17. Paul H. Appleby, *Public Administration in India—Report of a Survey*. Cabinet Secretariat, O & M Division, p. 25.

18. Fritz Morstein Marx, *The Administrative State*, Chicago Uni. Press, 1957, p. 186-187.

to the basic objectives of a welfare state and socialistic pattern of society which are today our accepted national goals. With the expected enormous (may be, even overwhelming) expansion of the public sector in the next few decades, it will be wrong to suggest that the great majority of civil servants should not take active interest in the programmes for promotion of the public good. To refer to Fritz Morstein Marx again: "it would be preposterous if the civil servant confined himself to periodically checking the links in the chain of decision-making. Beyond such concern with procedure, he should exert himself to make sure that each proposed decision is the right decision. Nor should he stop when he comes to the boundaries drawn around the rationality of day-by-day utilitarian choices—when he has assured himself of the means-and-ends relationships of administrative purposes, the attainment of economy and efficiency, the calculus of benefits. The right decision must meet a higher test. It must accord with the general interest, the constitutional spirit, and the moral principle. Nothing short of this will do."<sup>19</sup>

If the civil servant is to be the 'guardian angel' of the public interest as suggested above, it is necessary that he should be protected against the corroding influence of politics. The recent Chagla Enquiry has revealed the weak-spots of the relations between the Minister and the Head of a Government Department, as also between the senior civil servants in government and the executive officers of state enterprises. There is also a visible tendency on the part of the senior civil servants not to weigh impartially and fully explain the pros and cons of a particular policy which they may be asked to follow: in any case occasions where the higher civil servants have stood up boldly on grounds of genuine difference of opinion are becoming few and far between. Civil servants have an intrinsic duty to make known their disagreements with their Minister when they are satisfied that their own stand is in the general interest of the public.

I believe there is a practice in England that if the Head of a Department falls into the disfavour of the Minister on a genuine difference of opinion on matters of policy or its execution and if the Minister makes an adverse entry into his character roll, the permanent head of the civil service also makes in the character roll the necessary note about the likely political bias in the Minister's findings. If civil servants assisting in policy making are to discharge their functions honestly and conscientiously, their career should not be prejudiced by political bias. However, this protection must not be abused. The ultimate responsibility is that of the Minister. He is

19. *Ibid.*, p. 184-185.

always responsible for what is done in his name; but more often than not he is ignorant of it. "It would seem likely that Civil Servants accustomed to act on behalf of or in the name of Ministers may be tempted at times to think and act as if they were Ministers". "*Civil Servants may be statesmen in disguise, but they must not be Ministers in disguise*<sup>20</sup>."

If civil servants are to play successfully the new affirmative role in administration, one cannot be complacent about their social backgrounds and leanings. In England, a recent study has brought out the over-representation of the upper and middle social strata in the Administrative Class.<sup>21</sup> In fact, it was even contended earlier that "what is wrong...with the British Civil service is something that is wrong with the middle class and its nineteenth-century standards"<sup>22</sup>. A similar study in India will obviously be quite revealing.

In brief, the role of the civil service is gradually changing from being a mere agent of the political executive to that of a collaborator whose sole interest is the general welfare. The doctrine of civil service neutrality is yielding place to a broader concept of a positive role in the formulation and execution of policies and the maintenance and promotion of the public interest. As years go by, this new concept should blossom forth into a recognised code of civil service ethics, which will enable the ministers and the civil services to work together for the common good.



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20. K.C. Wheare, *Ibid*, p. 29.

21. R.K. Kelsall, *Higher Civil Servants in Britain*, p. 201.

22. A.L. Rowse, *The End of an Epoch*, 1947, p. 121.

## INCENTIVE AWARDS IN THE PUBLIC SERVICE

*D. G. Karve*

**I**N many countries, if not in most, operations of governmental agencies are proverbially inefficient. It rarely happens, however, that in a country where the non-governmental sector is noted for its efficiency, the governmental sector alone turns up as inefficient. Except that there are some inherent limitations on the use of personal discretion in a constitutional government there is really no reason why efficiency of public administration, including quality as well as cost, should compare unfavourably with that of business administration. While in both types of administration extreme variations must be allowed as exceptions, the general rule of comparability would prevail. The human personnel as well as social standards obtaining in each country would tend to be so much a common feature of the two systems that it would be surprising to find any serious difference of performance between the two.

This lesson is convincingly borne out by experience in U.S.A. It is noteworthy that it has rarely been alleged in that country that governmental agency would not be able to do a job well. The claim has always been that it is not proper for the government to do what private agencies can do as well. The methods to sustain efficiency adopted by the two sectors are almost identical. As a rule the personnel which directs the activities of state agencies is drawn from the broader field of private and corporate experience. They tend naturally to adopt, in the conduct of public departments and institutions, the same methods of administration as have been known to yield good results elsewhere. The American Congress contains a large number of members who are appreciative of these methods, so that when the performance of a public agency comes to be judged by Congress the standards commonly applied are those which are based on successful results, rather than in conformity with prescribed rules or precedents.

Among the characteristic instruments for the promotion of initiative and efficiency adopted in the public services in the U.S.A. are incentive awards. This programme was launched late in 1954 under the provisions of the Government Employees' Incentive Awards Act as an aid in making government operations more economical and efficient. Awards may be *cash*, up to \$25,000 for a single contribution, or *honorary* or both. Employees can earn awards for beneficial

*suggestions*, inventions or for outstandingly superior performance may be considered normal or even ordinarily good work in any position. Awards may be won by groups as well as by individuals, and for making intangible as well as material contributions towards more successful administration of public business. If a contribution is specially outstanding a Presidential award is made in addition to any benefit which the normal programme of incentive awards may provide.

Suggestions which promise real improvement—those that save time, materials, or man power; reduce costs of repairs; improve house-keeping and working conditions; simplify forms, procedures, or processes etc.—are welcome in all organisations. The Government Employees' Incentive Awards Act extended, liberalized and co-ordinated, under a single system administered by the Civil Service Commission, a variety of programmes previously conducted by individual federal agencies. The main emphasis in the programme is on promoting increased employees' participation in improving government operations. The Annual Report of the United States Civil Service Commission for the year 1956 states that "record-breaking numbers of employees joined hands with management in a partnership aimed at improving Government operations". The highlights of the programme for the fiscal year 1956 were:

- (i) Tangible benefits to the Government of a tune of \$102,099,120;
- (ii) Cash awards of \$5,885,891, to employees;
- (iii) The first \$5,000-award for a suggestion; and
- (iv) Awards for superior performance to more than 20,000 employees.

Even more striking than these figures of physical achievement is the increasing fervour which employees' groups as well as managements are showing for the programme, both for its underlying principle and for its main features. This itself is borne out by the following significant increases over the fiscal year 1955:

	<i>Per cent</i>
Ideas received	.. up 35
Ideas adopted	.. „ 41
Dollar benefit from ideas	.. „ 38
Superior performance recognition	.. „ 250
Amount paid in awards	.. „ 125

A constant improvement in the system of execution of policy and the rendering of service can be maintained by the encouragement

of initiative. The element of discrimination, involved in recognizing merit by grant of permanent increases in salary or by out of turn promotion, is avoided by giving superior performance awards for specific cases of special efficiency in work. A continued eligibility for recognition on account of superior performance would itself constitute a more specific ground for the award of such more permanent benefits as promotion in salary or grade.

## II

As the systematic use of the incentive award system in the U.S. Civil Services is only a recent development, further progress, both in regard to its coverage and effectiveness, is to be expected. But even as it is, its record compares favourably with that of a similar system in the private sector. How varied is the influence of the new system in promoting all-round efficiency in the public service of U.S.A. will be seen from a few individual cases:

- (1) The largest to date award, \$5,000, was presented to Gerald Archdeacon, Maintenance Inspector, Newark Transportation Control Depot, for suggesting a skeleton deck on a freighter. The use of this deck expanded the capacity for carrying aircraft from the hatch area to virtually the entire deck space. It permitted the Air Force to land 38 aircrafts on the deck where formerly there was room only for 8. The U.S. Government benefitted from this idea through lower shipping costs, reduced transportation time and increased combat readiness.
- (2) Contrasting with this record of highest amount hitherto paid is another at a very much more modest figure of \$15. Mr. Joseph Brown, an employee at the Bureau of Engraving and Printing suggested that the rubber glove worn by the Plate Printers would wear longer if reinforced between the thumb and the index finger. The Bureau realized a saving of \$270 a year from the adoption of this idea. Mr. Brown who received the small award for his initiative, had the added satisfaction of seeing his idea in daily use.
- (3) Mary Mitamura, Clerk-typist at the Naval Supply Depot, Ogden, Utah, turned out, hour after hour, and day by day, far more work than others on the same type of job. Her production was 40% above the established standard. Her supervisor recognized her outstanding work and she was presented with a \$100 award.

- (4) In the Bureau of Reclamation a group of employees, working as a team, developed a better design for high voltage electro-line towers. The new design, applied to a 150-mile line, saved enough steel to build a 14 storey building. In dollars the value amounted to \$1,616,000. Each member of the 10-man team received a \$200 award.

In many instances, particularly in connection with superior performance, an employee is considered for a commendation or medal from a top official of his department. In many cases this is coupled with a cash award. During the fiscal year 1956, 223 employees received the highest honorary award that could be given by the head of their department. Though the execution of the incentive award programme appropriately lies with individual departments and agencies, the Civil Service Commission furnishes leadership and assistance in a variety of ways. Apart from publishing an informative report on the awards and performance in the several agencies, the Commission publicises to all levels of management and personnel, the main features of the scheme. The Commission carries out inspection of the programme in the various establishments, and utilizes the results of these inspections to improve the programme itself. The managements are kept constantly informed of these improvements so that every unit of public service has the most advanced scheme of incentive awards in operation. Under the leadership of the Civil Service Commission considerable inter-departmental co-operation in ideas and equipment is promoted.

Illustrative of the constructive enthusiasm evinced by departmental heads are the following appeals to their respective employees addressed by the Secretary of the Treasury and the Deputy Postmaster General:

"As public servants we have a special duty to reduce Treasury's operating costs to the lowest possible level. We are depending on your efforts and your suggestions to help us meet this obligation to our fellow citizens".

"We want new ideas—the most imaginative we can get. It's never-been-done-before is out of the window. We believe that every custodial employee, clerk, supervisor, and official has many constructive ideas which could be used in making beneficial changes".

The 1956 Report of the United States Civil Service Commission records that "a year and 7 months of operation have thoroughly established the Incentive Awards Act as sound and effective legislation



giving policy direction with sufficient administrative flexibility for application to the widely differing functions and missions of the executive branch." The overall guiding principle is to use incentive awards as a prime means to progress every employee's business.

### III

In India the private sector of business employs financial incentives of promoting efficiency to a very limited extent. It is, therefore, not surprising that the so called public sector has given no better account of itself. Both for business and for public administration a judicious adoption of incentive awards would go a long way in keeping up the initiative, interest and inventiveness of the large number of participating employees without whom no large-scale administrative or executive task can now be accomplished. Here is a definite field, in business as well as in general administrative agencies, for the public administration planners to set a good example to themselves, as well as to their opposite numbers in the private sector.

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## ADMINISTRATIVE CO-ORDINATION IN COMMUNITY DEVELOPMENT

*B. Mukerji*

THE planned development of any country necessarily requires co-ordination, both in the preparation of the plans of development as well as in their implementation. The importance of administrative co-ordination was, therefore, rightly emphasised both in our First Five Year Plan and the Second. But the programme of Community Development, more than any other, has helped to highlight the problems of administrative co-ordination and to reveal its complex character and many ramifications. The Community Development Programme, if it is to be at all successful, must aim at full balanced development of the community. It has, therefore, to be a multi-purpose programme which attacks simultaneously all the rural problems. This makes it essential that the local programmes in each substantive field should be co-ordinated both in planning and execution. Further, a Community Development Programme on a national scale, such as we have undertaken, requires that the local programmes should be fully supported by the National Plan. In fact, they should be an integral part of that Plan. They would need the support of "consistent policies, the mobilisation of local and national resources and the organisation of research, experimentation and evaluation. Economic and social progress at the local level necessitates parallel development on a wider national scale". Thus it becomes necessary that administrative co-ordination, both in planning and implementation of programmes, should be secured not only at the local level but at all higher levels too, going right up to the level of the Central Government. The co-ordination has to be not only in the execution of programmes at each level but also between the programmes at different levels and also in national policies that must support each other and support the local development. Without achieving co-ordination in this comprehensive sense administrative co-ordination would often become infructuous.

To illustrate this point : it can easily happen that while the Community Development Programme at the local level would attempt at utilising fully the resources of voluntary non-governmental organisations and to promote people's organisations and people's co-operatives, the policy at the national level may be out of tune or even hostile to such an endeavour. If the policy for the development of Co-operation

regards co-operatives merely as the 'means' for providing credit for the development of agriculture and rural industries and not also as a social weapon for promoting an egalitarian social structure, community solidarity and ideas of self-reliance and mutual aid, the policy will be out of tune with the objectives and approach of Community Development and will militate against its success.

The need to make the Community Development Programme a people's programme makes it necessary that there should be the fullest co-ordination between the Government organisation, on the one hand and the people's organisations on the other. People's participation should not be understood in the narrow sense of the contribution, whether in cash, labour or material, that they make for community works. It should be understood in a much wider sense. To quote from the Report of the Balvantray Mehta Study Team, "It is their full realisation that all aspects of Community Development are their concern and the Government's participation is only to assist them where such assistance is necessary. It is the gradual development of their faith in the efficacy of their own co-operative action in solving their local problems". Rightly the Team came to the conclusion that such participation is possible only through the organisation of co-operative institutions and of elected democratic bodies. Our experience of the last five years that the Community Development Programme has been in operation, "has already demonstrated that only normally organised and fully empowered units of continuous local administration can shoulder the responsibility of organising community life on progressive lines". Decentralisation of democracy has been made a part of our National Plan. Administrative co-ordination thus acquires a new dimension.

## II

In the initial stages of the Community Development Programme more attention was paid to securing co-ordination at different levels of the administration through a single line organisation consisting of the Development Commissioner at the state level, the District Officer at the district level, the Block Development Officer at the block level and the Village Level Worker at the village level. The basic function of the Development Commissioner was conceived as one of co-ordinating the activities of the various development departments and seeing that they work towards the fulfilment of the overall plan for the State. It was emphasised that the Development Commissioner should not set up an independent Development Department but should regard himself as the captain of a team

consisting of heads of different development departments in the State. Functions similar to those of the Development Commissioner were given to the District Officer, the Sub-Divisional Officer and the Block Development Officer. The multipurpose Village Level Worker was to be regarded as the last link in this administrative chain and was to be treated as a part of the District administration and not of any separate department. Above the village level technical officers were to belong to the different development departments but to be under the supervision, for purposes of co-ordination, of the general Administrative Officer of the appropriate level.

At the State headquarters there was to be an Inter-departmental Committee of Secretaries in charge of the various development departments. There was also to be a Committee of the State Cabinet under the Chief Minister to provide overall guidance and direction. Similarly, at the district level there was to be a District Development Committee consisting of the district level officers of the different development departments with the Collector as the chairman. Co-ordination between the agencies of Government and the non-official agencies was sought to be achieved through the creation of State Planning Boards, District Development Boards and the Block Advisory Committees, all of which included representatives of the people and non-official leaders of public opinion, such as Members of Parliament and of the State legislature, sarpanchas, representatives of the co-operative movement, leading agriculturists, etc.

Despite all the efforts that were made to define the correct role of the Development Commissioner and the line organisation below him, it cannot be denied that for a long time the belief persisted in other departments, and seems to persist even now to some extent, that a separate Development Department had been created under the Development Commissioner. The reason seems to be that the Development Commissioner had to be given an organisation even to perform the role of a co-ordinator, and with the block schematic budgets at his disposal and a programme to implement, he naturally created the impression that he was functioning as the Head of a newly created Development Department. But in the circumstances then obtaining the arrangements made could hardly have been different. It was soon realised that in such a situation it was difficult to obtain the full co-operation and support of the different development departments to the programme of community development taken up in the blocks. It was also apparent that without such support the programmes in the blocks, financed solely from the schematic block budgets, would remain weak and ineffective and the objectives of community development will hardly be achieved. All

attempts to make the other departments concentrate their efforts in the development blocks, and assist the block organisations in their programme, met with meagre success. Often, it was noticed that even the responsibility of a development department for its own programme was being weakened. This was the picture of coordination among the administrative agencies.

The picture in regard to co-ordination between the administrative agencies and the people's organisations was no better. The advisory committees, functioning at the different levels, did not succeed in giving to the programme the character of a people's programme, though some of these committees worked fairly well in discharging their limited responsibilities. It was becoming apparent that the whole approach to the question of co-ordination needed to be revised. An attempt has been made below to indicate some of the directions in which this re-orientation is taking place or needs to be promoted.

### III

In the first place, the endeavour has been to make the N.E.S. the common agency of all the development departments. In fact, this should be precisely its position since it is the agency especially set up to take up an integrated programme of rural reconstruction through the community development approach and by applying 'extension' methods. If the N.E.S. is to be used as an agency by all the development departments, the responsibility for the success of a specific programme should devolve more and more on the concerned development department itself. Here, the distinction between the programme financed from the funds in the schematic budget of a block and the programme financed from the Department's budget must be removed. To develop a truly co-ordinated programme for the block, the funds from both sources should be pooled and there should be joint planning and execution of a common programme. Starting thus from the idea of the multipurpose V.L.W. as the only common agent of all development departments at the village level, we have logically by now developed the concept of the whole block organisation, working as a unified extension organisation under a single captain—the B.D.O., to be the common agency for all the development departments. The block has therefore tended to become the area unit of planning and development.

In this arrangement, a question that arose was that if the block organisation were to function as the agency of the different development departments, should not the latter have some control over their agent? The different technical officers in the "block team" are to

be officers of the respective technical departments. It was recognised early enough that they should receive technical guidance and be amenable to the technical control of their own superior officers functioning at the district and higher levels. It had also been generally agreed that in order to ensure 'team work', the captain of the team, the B.D.O., must have a measure of administrative, and what is often called 'operational', control over the technical officers of his team, although the distinction between 'administrative' and 'operational' control on the one hand and 'technical' control on the other has not always been easy to draw. The last Development Commissioners' Conference felt that it would be necessary for the district technical officers to issue instructions to the B.D.O. in regard to the execution of the programmes of their departments. The B.D.O. should also consult the district technical officers at various stages. Such an arrangement under which the B.D.O. is made responsible to a number of different technical officers for working of the different aspects of the programme was considered inevitable and sound, and not one that should present any serious administrative difficulty. It has also been regarded as appropriate by the Balvantray Mehta Study Team. Here, the analogy may be cited of the Collector at the district level receiving instructions from various departments of Government, and similarly of the *Gramsevak* at the village level receiving instructions from the various block-level specialists.

A further development following from these concepts is that the block team should be as homogeneous in composition as possible and should attend to the entire developmental needs of the block. The different development departments should not have other independent functionaries of their own of a similar kind but unconnected with the block organisation. This will not only be a rationalised arrangement but also prevent needless duplication of work, avoidable expenditure and waste of personnel.

It was not long before it was realised that many of the difficulties in the execution of the Community Development Programme had their roots either in lack of co-ordination or defective planning. While activities in one field had been provided for in the Plan, necessary supporting activities in some other field had not been included. If a scheme had been prepared with care, sufficient trouble had not been taken to plan out its execution. There was, at times, even lack of co-ordination in policies. It was found that co-ordination in execution, if it was extended to day-to-day control and supervision, however tactfully and ably attempted, could only create resistance to the whole idea of co-ordination among the departments the activities of which were being co-ordinated. This

becomes the case more particularly when the co-ordinator himself is regarded as Head of a Development Department with a programme of his own overlapping the programmes of the other development departments, such as the Development Commissioner and the Community Development Programme had come to be regarded. As Development Commissioner, he has to function as the captain of a team; and so even when co-ordination has to be secured through supervision, the emphasis has to be on common supervision by the whole team and observance by all of basic policies and objectives. The role of the Development Commissioner as Secretary of the Planning Department should therefore now become important and there should be a shift in emphasis in favour of co-ordination through better planning.

What is important to recognise is that planning on a national level, to which we stand committed, will lose much of its reality unless the process travels down to the bottom. There is as much need to work up plans from below as to break up plans formulated from above into district and block plans. *Co-ordination in planning should prepare the ground for co-ordination in implementation.* The process for securing common planning for the block should provide for making the fullest use of the block organisation in the planning as much as in the implementation of the commonly-agreed-to-plan. And this should be done without impairing in the slightest degree the ultimate responsibility of each department in respect of its own part of the plan. The block organisation with its intimate contact with the people and detailed knowledge of the block area, when used for the purpose of planning for the block, will naturally be in a position not only to secure the people's participation in the preparation of the plan but also in its implementation. The guidance that will be given to the block organisation by the agencies of the different departments will ensure that the plan prepared for the block is in consonance with and fits into the overall plan of the department. Thus the key to the whole problem would seem to lie in all the departments using the block agency for the preparation and implementation of the block plan.

From the changes mentioned above, and particularly from the increased responsibility of the development departments, follows the need for strengthening the different technical departments—a need which is becoming more and more apparent every day. Any administrative system which has to rely on multipurpose functionaries, and which imposes the supervision of administrative officers over technical departments, is suitable only for a country still in a very rudimentary stage of development. For the development of our country advance

in scientific knowledge and in technology are the prime requirements; and for this the technical departments must be ensured scope and freedom for rapid growth. It is necessary to give them a sense of dignity and responsibility. Supervision by administrative officers cannot but have a cramping effect on them and defeat the very objective. The system that has grown up in the name of co-ordination in a certain State, under which departments of agriculture, animal husbandry, co-operation and panchayats have been pooled to form a single office and placed directly in charge of the District Collector, cannot but be regarded as a retrograde step. This arrangement, while it may seem to have secured better co-ordination among the pooled departments, has stood in the way of the co-ordination of the activities of the other development departments which have been left out. It was rightly pointed out in the Second Five Year Plan that "the strength of a co-ordinated programme of development lies in the quality of the specialist services which are brought together and co-ordination should be so organised as to bring out the best in the specialists".

#### IV

In this country the District has always been the pivot of the structure of administration. With the acceptance of a Welfare State as the objective, the emphasis has come to be placed overwhelmingly on development activities. The District Collector has, therefore, come to acquire a key position in the hierarchy of officers entrusted with functions of development and co-ordination. The Community Development Programme has further highlighted this role of the Collector. Where the Collector has been given proper relief from revenue and other administrative responsibilities, he has, by and large, been able to discharge his developmental responsibilities well, but where such relief has not been given to him he has generally not been able to do his development work properly. In many States, Additional Collectors have been appointed to give the Collector such relief, but in several other States arrangements of a different kind have been made to achieve this objective. In some, a District Planning Officer or a Development Assistant normally of the status of a Deputy Collector is being given to the Collector. In some others, where responsibilities of co-ordination at the regional level and of supervision of the work of the Collector even in the sphere of development have been entrusted to the Divisional Commissioner, the latter has been given the assistance of a Development Officer ordinarily of the status of a Project Executive Officer or a Sub-Divisional Officer. It is doubtful whether these latter arrangements can achieve the objective



in view. They are fraught with the danger of interposing another officer between the District Collector and the Divisional Commissioner, and between the District Collector and the other district level officers, which may have the effect of reducing the responsibilities of the District Collector and keeping him out of touch with the development work in the district. The main justification, in the opinion of the writer, of putting the Collector in the position of the captain of the team of development officers functioning at the district level is to take thereby full advantage of the prestige and position which the Collector has always enjoyed in the district. That justification loses much of its force in these other arrangements. The Balvantray Mehta Study Team has made the sound recommendation that the Collector should be given relief from his revenue and administrative duties through the appointment of an Additional Collector.

## V

An important development now taking place in several States is to bring in the Divisional Commissioner fully into the administrative organisation for carrying through the development programme, and this for two reasons. First, it is being increasingly realised that with fairly junior officers in charge of districts, as is generally the case now, they need the guidance of the Divisional Commissioner in all matters, and they should not be denied this guidance in the field of development which is the most important work which the District Collector is being asked more and more to do. Secondly, co-ordination at the divisional level, particularly when many development departments have officers functioning at that level, is as necessary as at the district level; and this role can be best played by the Divisional Commissioner. A third reason is that, with the rapid increase in the number of development blocks in every State, and with the secretariat work taking much of the time of the Development Commissioner (he is generally also the Secretary of the Planning Department), it is becoming increasingly difficult for him to do field supervision of the development programme. This role of his can be equally well played by the Divisional Commissioner.

It has been observed that development departments which have been growing in competence, which have their position and status properly recognised and which have been able to adapt themselves to the extension approach as the new emerging role of Government, are more willing to accept the idea of co-ordination. Resistance to this idea is more pronounced in the development departments which continue to remain weak and ineffective, the importance and role of which has not been adequately recognised or which are unable

to adapt themselves to the new 'extension' approach to the problem of rural development. It is being increasingly demonstrated, what we should have always known, that co-ordination is possible only among near equals; it tends to become subordination of the members of the team by the captain if there is wide disparity in the status and calibre of the captain and the members of his team. To ensure that speedy decisions are taken at all levels of administration, importance was attached right from the beginning to delegation of adequate powers to Development Commissioners, District Collectors, S.D.O.s and B.D.O.s. It was soon realised that unless similar powers are given to the officers of all development departments at the corresponding levels, team work could not be assured. These emerging facts further prove the necessity for enhancing the dignity and importance of the technical departments. That, however, will depend to a large measure on the competence of the department and on the ability of the persons that man it. It will also depend greatly on the training and orientation that is given to the personnel of the department, the quality and extent of the research that the department promotes and the 'extension' arrangements that it builds up at higher levels.

This takes us to a further important point. Co-ordination, whether in planning or in the implementation of a programme, can be considerably improved by a proper scheme of training of the personnel belonging to all the agencies, whether Government or people's organisations, that have to work together on a common task of planned development. Training can increase competence and skills but above all it helps to create the correct attitudes and understanding of the nature of democratic planning and development through the 'extension approach' that we have adopted. It can change narrow departmental loyalties to wider loyalties for a cause. It can promote the correct attitudes among Government agencies towards people's institutions, and in the latter towards Government agencies. Indeed such training and orientation is necessary if firm foundations are to be laid for administrative co-ordination needed for the success of planned development.

## VI

The improvement of co-ordination between the Governmental agencies and people's organisations calls for a more radical change in approach than what has been necessary in regard to co-ordination within the administration itself. The idea of the people's participation in the programme has to be substituted by the object of converting the entire programme to a people's programme.

In the past, panchayats and other forms of local government have been treated more as an instrument or an agency of the bureaucratic administration than as self-governing institutions of the people. This has been one of the reasons why they have not commanded the respect of the people. This approach has to be basically altered. Local self-governing institutions have to be regarded as instruments of decentralisation of authority to local bodies chosen by and answerable to the local electorate. That electorate must be able to determine local policies so that Government at that level becomes responsible to the needs of the people of the locality. The role of local bodies in planning is as fundamental as in execution. It will not do to merely use panchayats as agencies of the Government for execution of local programmes. The panchayats should plan and execute their own programmes with assistance from other agencies of the Government. The attempt at building up a plan from below, with official agencies leading the process, has been a failure.

Just as the overall National Plan should include within it the local plans and each part of it should be interrelated to the other and supported by it, similarly the central, state and local authorities should constitute links in a single administrative chain and each part should have a role to play in the promotion of public welfare. The panchayat, though functioning in a small area with meagre finances, is really more competent than institutions functioning at higher levels to undertake some of the activities included in each one of the social services that has to be provided by Government if conditions of rural life are to improve. The trend of development in countries which have a longer and better record of local self-government than ours is towards collaboration between formations of Government functioning at different levels rather than towards maintaining rigid separation of functions between them.

The question should no longer be whether functions like education, public health, communications are wholly to be retained by the State Government or are to be transferred to local authorities but that which of the several constituent activities falling under these subjects can be suitably and with advantage taken over by local authorities. Such an arrangement will meet the demands of centralisation and decentralisation alike. It will also ease, to some extent, the financial difficulties of local bodies. For, it will not saddle them with a heavy burden in the field of social welfare and development which financially they are incapable of carrying. In such fields, planning for the country's development has to be regarded as a joint concern of the Government and the local authorities. Thus once again the emphasis has to shift to co-ordination in planning such as will prepare

the proper ground for co-ordination in the execution of the plan between the agencies of the Government on the one hand and the local self-governing institutions on the other.

In the decentralisation of authority, leading to the creation of real self-governing authorities for smaller territorial units, a real further advance will be made in co-ordination both in planning and execution. It is easier for the representatives of the people, functioning for a small area and nearer the people who have chosen them, to reflect truly the needs and wishes of the people and plan for them in a co-ordinated manner than it is for an authority functioning at a distance from the people whose welfare is its charge and for an area large in size with problems of bigger dimensions than local problems. Such authorities have to necessarily function through well-developed separate departments and agencies for different fields of development. It is the nature of the assignment given to higher formations of Government that makes the task of co-ordinated planning and implementation of all local programmes of welfare difficult. This however, in no way reduces the importance of the need for the local plans being fully supported by the National Plan.

## VII

The most important requirement, for making co-ordination in planning and implementation of the Community Development Programme a reality and for giving the Programme the significance that it should have, is to promote the development of panchayats and other local authorities to make them real and vital units of local self-government. These have to be promoted with more than mere faith in democracy; with faith has to be combined determination. There is hardly any risk involved in taking such a bold step. On the contrary there will arise a real danger to our infant Democracy if authority is not decentralised in this manner; and the objectives of the Welfare State and the Socialist Pattern of Society will then have little chance of fulfilment. In fact, there will be greater danger to Democracy if the task of economic development and promotion of social justice is undertaken wholly by the authority of Government concentrated in the central and state administrations. In this regard our Prime Minister said on one occasion : "The country is committed to a socialistic pattern of society. To bring about this change we have to do many things in many spheres of activity. But the essential thing is to make freedom secure and broad-based, to bring the people in close association and partnership with the apparatus of administration and more especially, with the working out of our Five Year Plans. We talk

of the people's plan and we talk of the people's Community Project. That is the essence of our approach to this question. No great change can be brought about merely by governmental functioning, although that is important and we aim at great changes. Therefore, it is necessary that these community schemes should be based on the intimate co-operation of the people".

To conclude, the problem of administrative co-ordination, in the Community Development Programme, which appeared in the initial stages as primarily one of organisation is really much more complex. Starting with the attempt to solve it by creating a line organisation, we have come to emphasise co-ordination in planning, co-ordination in policies, co-ordination within the administration and between the agencies of Government and the agencies of the people that already exist and those that have to be promoted as a part of the development programme itself. We have come to emphasise the need for joint sharing of responsibilities by all departments both in the preparation of a co-ordinated plan and in supervising its execution, each taking at the same time full responsibility for its individual programme. We have come to realise the importance of strengthening technical departments, enhancing their importance and dignity, training the personnel of all departments as well as of the people's institutions to create in them the right attitudes and understanding. We have developed the limited idea of the *Gramsevak* as the common agency of all departments at the village level into a broader concept, that of the entire block organisation as the common agency and the block as the area unit, of all development activities. Indeed, it would appear thus that the problem of co-ordination is in many respects similar to the one of transforming the administration of a more or less colonial and police state into that of a welfare state. It requires not only structural and organisational changes and alterations in procedure but also radical changes in the attitudes of public servants and the people's representatives and the promotion of decentralised, real and virile self-governing popular institutions.

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## IMPROVING CITY GOVERNMENT

*P. R. Nayak*

**C**ITIES today are becoming increasingly the nerve centres of national life and economy. They not only contain congregations of human population, large and small, but also secure for the urban communities advantages of scale and specialisation in the provision of municipal services. In another sense, too, they exhibit certain common features. Congestion is acute; and ill-planned or unplanned physical sprawl abounds. Services and amenities remain chronically short of basic requirements. Industry grows in promiscuous fashion. And, above all, the steady influx of population with varying social or environmental backgrounds accentuates the heterogenous character of the community.

In such a situation, the civic aims of city government must necessarily be to correct the deficiencies of modern life in concentrated communities and equip them better for promoting the country's political and economic advancement. Its tools have to be those several things that make life comfortable and full of meaning—adequate housing, a potable supply of water, safeguarding of public health, relief of sickness, education, facilities for mental and physical recreation, and development of a sense of oneness with and pride in the community. These are, of course, everywhere important, be it a city or a village. But, in the rural areas, the bountiful background of nature undefiled mitigates, substantially, several hardships and deficiencies. The stress and strain of city life, on the other hand, give a special significance to the satisfaction of man's basic needs; and to a certain extent, urban living also modifies their quality. Thus, the preservation of health becomes much more than an individual's care or way of life. A house often possesses less than the desired degree of privacy or individuality. Social intercourse and recreation call forth special powers of adaptability. To succeed well in its objectives, civic government must, therefore, possess skill, judgement and technique of a most unusual character. It is an essay as much in the art of governance as in the practice of psychology.

The participation of the people in civic administration and their responsiveness to its calls are vital for the success of any city government today. These characteristics are synonymous with what is

commonly called 'civic conscience'. It connotes awareness and understanding of one's rights and obligations as a member of a large community and it must evoke appropriate action in the individual. A code of conduct is evolved that reflects the inter-dependence of the citizens in a thickly populated urban community, where every fall from desired standards will detract from the health and well-being of a neighbour. One of the big problems and a primary concern of city government must, therefore, be the creation of conditions favourable to the growth of 'civic conscience'. This can be met not merely through the development of the physical scene so as to impart a sense of satisfaction and living to the individual citizen but also by resort to various media for enlisting public interest in and support for programmes of immediate and prospective improvement. This need is all the more urgent in our Indian cities which, during the last decade or two, have grown phenomenally in size and complexity. It is becoming clearer every day that a comprehensive programme of community welfare and social education must be launched, particularly in the more depressed areas of the cities. The ingredients of such a programme must include, amongst other things, youth organisation and welfare, community recreation, child and women's welfare activities, literacy and education for health, citizenship and social participation. The appeal here is to the mind, and the effort is to enrich or stimulate the emotional content of life in the somewhat soulless atmosphere of a modern city.

With these considerations in mind, we may now look at the structure of our city government, its failure and success and the measures that can make for progress. A city council or corporation is the normal organ of civic administration. It is now invariably elected by adult franchise and can thus be said to be a truly representative body. We may assume, therefore, that it is suited to appraise popular needs correctly and promote their fulfilment. That city governments have failed so often to give satisfaction is a matter that requires earnest consideration. Failure undeniably there is. The slums in our cities continue to grow; disparities in services and amenities persist; and the great majority of the people have not the pre-requisites for a decent way of life. In referring to these shortcomings, it is not the intention to minimise achievements. We have made substantial advances in public health measures; and epidemics are becoming less and less ravaging. In part, we have created much that is beautiful and beneficial. Gardens and roads, schools and playgrounds, hospitals and dispensaries, systems of public transport and other utilities—these can compare with the best anywhere. But they serve only a fraction of the population and the leeway to be made up is truly great.

## II

The reasons for the present situation are partly organisational. The importance of unification in civic government is not always recognised—not even in the more advanced countries of the West. A multiplicity of agencies has produced varying degrees of development in a tract that is geographically and economically compact. Besides, it has rendered difficult, if not impossible, a comprehensive view of the basic developmental needs of a city. The determination of these needs is a dynamic process; the scene constantly shifts and changes, and each programme of development may necessitate the adaptation or modification of pre-conceived plans. Apart from the planning process, we find many different agencies, such as city councils and improvement trusts, operating in the field of execution, too. In a sense, the broad homogeneity that a city must possess is found absent in the civic government itself. Lack of co-ordination or integration can lead to duplication and does frequently lead to incomplete development. For example, a large housing estate may for long remain unprovided with schools, dispensaries, playgrounds or water supply. These defaults are generally the result of compartmental working. Such unco-ordinated activity obviously creates a host of problems and causes wide dissatisfaction among the citizens.

This is one aspect of the failure to take a long-term view of the problems of city government. Another is the absence or halting nature of measures to control the growth of cities. Sociologists have talked of the need for purposive action in the matter. There is, of course, no question of preventing the inflow of population. But some of the causes that lead to such inflow can be controlled. People migrate to cities because of the better employment opportunities there, following in part the increasing congregation of industry. But industries, while they bring employment, have also been responsible, in the main, for the slums in our cities over the past decades; and they accentuate all the problems of present day urban life. The claims of industry for urban services often become peremptory in character and can upset the precarious balance between demand and supply to the detriment of the community. A careful regulation of further industrialisation in large urban centres is important. But this is often not clearly recognised and we, therefore, witness instance of deliberate location of large industrial units in areas already over-saturated.

Paucity of resources for serving the needs of a rapidly growing community is probably the most important single factor operating to the detriment of civic government. The sources of income allocated



are inadequate; sometimes even these are encroached upon by the higher organs of Government; and more frequently, the sources are not fully tapped. The aims and problems of local bodies have come to be regarded as less pressing politically and as inferior to those of state and national governments. Such a view can no longer be considered tenable, for the foundations of national progress must be laid in and around every citizen's home. It is true that the shortage of resources affects us at various other levels also and that there is no magic wand that can dispel this difficulty. But even so, there is scope, and pressing need, for enlarging local finances.

That this not happened to any significant extent seems to be due to a weakness in the functioning of urban self-government and the relative meagreness of beneficent results achieved. The weakness is partly organisational in origin—an aspect which is examined further below—and partly political. In its latter aspect, it has operated to inhibit city governments from exploiting available sources of income to the maximum possible extent. Politically, that is from the point of view of canvassing for and getting the vote, higher taxes are thought to be a hazardous venture, and one frequently encounters assertions that a city government will be turned into a better instrument of service without further taxation. Here is a vicious circle. You cannot render better service unless your resources are augmented; and unless some visible results appear, the citizen is reluctant to pay more. The concept of taxation before service is, of course, generally understood; but the total pool is so deficient that large groups of tax-payers remain neglected for so long that they come to question the justice and validity of local taxation. A breakthrough from this situation can come only if maximum possible mobilisation of local resources takes place, and the utilisation of the pool is made with fine judgement, that is, on the principle that certain things must have priority—not of a mutually exclusive character but for the purpose of an intelligent allocation of resources.

The problem of mobilisation of local resources has a dual aspect; a determination of the levels of necessary taxation and a machinery that will secure the proper assessment and collection of taxes. The former is a political decision, but it must proceed on the basis that the services rendered must be paid for, in one form or another. Though here varying capacities may be recognised, the idea of something for nothing must be discounted; as it has been, for example, in state and national taxation. The humblest of us makes a contribution to the exchequer as a tax on the cloth he wears or the kerosene that lights his house. Why is a different note struck so often in the sphere of civic government?

The machinery for the assessment and collection of taxes must be free of political influence, though its task is to implement the political decision. That it has not always been so is one of the reasons for the failure to tap resources to the fullest extent. Unless this is done, it will be impossible to focus attention on the undoubted financial inability of local bodies to plan and execute adequate programmes of services and amenities. If the hesitancy over taxation can be overcome and if our machinery can be geared to efficiency and objectivity, unresolved deficiencies in the urban scene would become intolerable to the extent that Government cannot any longer overlook the need for augmenting local resources.

### III

Save in certain restricted spheres, such as taxation, a city government does not have to operate at the political level of policy-making. In this respect, it differs fundamentally from state and national governments. The policies are broadly laid down by the statutes themselves. The decisions that city governments are called upon to take are essentially of an administrative character, as anyone can see from the agenda of council meetings. Annual budget-making, apart from taxation, is an activity that may and does often call for political decisions as regards priorities. But inadequate resources, on the one hand, and fixed, unalterable charges thereon, on the other, have introduced such an element of rigidity as to restrict greatly the scope for the exercise of judgement and decision. In essentially administrative activity, political decision has no real place. Indeed, there can be little genuine controversy over the programme of civic advancement. When, therefore, politics intrudes excessively into civics, the result is unfortunate. Speed of action becomes the first casualty. Discord arises over trivialities and the town hall becomes a forum for irrelevant political battles. The deficiencies in action are attributed to the failure of a party—a good point, no doubt, to dangle before the voter—rather than to the many weaknesses of city government. A process which must be one of education is distorted into a campaign that misleads and blurs true objectives. The services, too, are left more exposed and more vulnerable than their kind in other fields to the stresses of party rivalry; for they have to work so much in the open and so closely with the people's representatives.

It is true, by and large, that those city governments have succeeded best which have eschewed politics to the maximum extent. Its minimisation must be reflected not only in the debates on the

floor of the city body, or in the election campaigns, but also in the manning of administrative agencies from amongst the elected. The choice for offices of honour or responsibility and the membership of committees, to name only two examples, must cut across party alignments and must endeavour to place the right man in the position suited to his merit, and to give adequate representation to different points of view. Civic government can function best through the committees, away from the glare of publicity attending council or corporation meetings—publicity that often tends to carry one away into irrelevancies. The committee system of working, so invaluable for calm discussion and quick decision, has not developed sufficiently in our country. Its growth requires the establishment or acceptance of certain conventions about the scope and method of working of committees and, more particularly, about their representative character.

Apart from the statutory provisions, which are becoming more common now, healthy conventions that guard the integrity of the services and define their field of operation are also essential. Their absence is responsible for some of the failures of civic government. If responsibility is curbed, if initiative is retarded and if a measure of dignity is denied, frustration ensues and the quality of work suffers. These factors have operated on a wide scale in many of our cities; and their consequences have been aggravated by aberrations in administrative functioning on group or party lines. That is why we seem to be turning increasingly to a form of organisation in which the execution of defined or prescribed policies is made much less a matter of council voting.

The council remains the agency for administrative decisions of a superior character; it acts as the watch-dog of prescribed policies and programmes; and it checks deviations in action by the services. But beyond that, the day-to-day discharge of administrative duties is left to the executive wing of city government. Theoretical objections to a dilution of the authority of representative bodies may be urged. But the results achieved in many cities, the West included, do not suggest that representative government suffers from a proper definition of the scope of different organs. Government is a continual experiment in the art of promoting the well-being of people; and there are no rigid forms of democratic functioning. The time and the place have a powerful determining force. In our cities, the time for action is fast running out and the place gives cause for increasing dissatisfaction. Our policies and administrative forms must be such as to catch up with the situation.

## IV

From the political and sociological points of view, the two problems in this situation that cause the greatest concern are slums and the acute shortage of housing and of developed, buildable sites. The two are interlinked, because, on the one hand, the clearance of slums, with their tremendous overcrowding, immediately raises the question of rehousing the "over-spills" of population. On the other, the shortage referred to leads to the growth of slum-like colonies as crop up everywhere in urban areas. A local authority's main endeavour should, therefore, be to secure and promote the orderly development or redevelopment of the physical scene.

Our attack on this problem has, however, hitherto been weak and halting. Moreover, in some recent developments in this direction, the fundamentals of orderly and decent growth are found to be lacking. The planning of growth must include not merely the opening up of virgin areas but also the provision therein of services and amenities of a prescribed standard. Otherwise, we shall always remain preoccupied with making up the deficiencies and can never go forward to the broadening of the scope and purpose of local government.

Local authorities are today mainly engaged in remedying the basic defects that exist—this is, of course, important—in the older parts of their areas and have ignored the haphazard and sub-standard growth that has taken place in the wake of population rise. Here are the seeds of a perpetual chain reaction. But if the amelioration of backward conditions is made dependent substantially on the opening up of new areas for decent habitation, the struggle for improvement—for better houses, the relief of congestion, the provision of greater recreational facilities, better and more schools and playgrounds—will be won the sooner. But the houses we build, and the lay-outs in which they are placed, must not become the slums of the near future. Because notions about adequate housing standards change so rapidly in a developing economic situation, it is better, in this matter, to err slightly on the side of liberality. The restraint which paucity of resources imposes can be met by various devices, not the least of which is to build our houses to last, not for 60 or 80 years, but for a more modest duration.

## DEMOCRATIC DECENTRALISATION IN LOCAL SELF-GOVERNMENT

Arch Dotson

*(In the present article, the author, a consultant to the Ford Foundation on planning administration reviews critically the approach and proposals of the Balvantray Mehta Study Team on Community Development and National Extension Service. This review by a foreign expert should be of particular value to our readers interested in the contemporary philosophy and problems of local self-government.—Ed.)*

INDIA has a long history of local self-government, which persisted through Mughal times; but this tradition was interrupted under the British Raj.<sup>1</sup> During the struggle for independence, Gandhiji and others proclaimed that the revitalized village must be a cardinal feature in the polity of free India. It is not surprising, therefore, that the Constituent Assembly included in the Constitution of the Republic the following Directive Principle of State Policy :

The State shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government.<sup>2</sup>

Free India has been much concerned to fulfil Gandhiji's promise and to implement the Constitutional directive. The First Five Year Plan declared that "from now on, the primary emphasis in district administration has to be on the implementation of development programmes in close co-operation with the active support of the people."<sup>3</sup> The Second Five Year Plan also gave special attention to the development of local government, and urged that the village panchayats, along with co-operatives, strive to bring about a more just and integrated social structure in rural areas.<sup>4</sup> The Local Finance Enquiry Committee, 1951, and the Taxation Enquiry Commission, 1954,<sup>5</sup> have both recommended strengthening the local revenue

1. Jawaharlal Nehru, *The Discovery of India* (London : Meridian, 1956), p. 244 ff., includes a brief discussion of this tradition and of the sources of our information on the functioning of local self-government in pre-British India.

2. Article 40.

3. p. 130

4. pp. 221, ff.

5. *Report, Local Finance Enquiry Committee, 1951*, pp. 117 ff. ; and *Report, Taxation Enquiry Commission, 1954*, Vol. III, pp. 539-49.

base in order that the states' political subdivisions may have the strength to be the foundations of the new socialist pattern of society. Many states have passed fresh legislation since 1949, to create or buttress units of local government.<sup>6</sup> A Central Council of Local Self-Government was established in 1954, having among its purposes to consider and recommend broad lines of policy and draw up a common programme of action to promote local self-government throughout India.<sup>7</sup> Some states have conducted studies to reconsider the entire pattern of their rural government institutions,<sup>8</sup> while others have directly initiated major changes in existing forms.<sup>9</sup>

In this context of hope for effective local self-government, dissatisfaction with recent performance, experimentation with new forms—in this background of an “agonizing reappraisal” of local government policy, the Committee on Plan Projects of the Planning Commission set up in September 1956 a Study Team on Community Development and National Extension Service to investigate on an all-India basis the working of these programmes.<sup>10</sup>

## II

The Mehta Study Team undertook to determine, *inter alia* :  
The extent to which the (community development) movement has succeeded in utilising local initiative and in creating institutions to ensure continuity in the process of improving economic and social conditions in rural areas.<sup>11</sup>

After a year of study, the Team reported its findings and submitted proposals. The foremost of its discoveries were summarised in the following paragraph :

6. See, for example, the Jammu and Kashmir Panchayat Act, 2008 (1951) ; the Rajasthan Panchayat Act, 1953 ; and the West Bengal Panchayat Act, 1956.

7. This Council includes the Union Minister for Health as its Chairman, and the State Ministers for Local Self-Government and Panchayats as members. Three meetings have been held to date, the last being at Srinagar in September, 1957.

8. For example, in 1955 the Punjab Government issued a White Paper on the Reorganisation of Rural Local Government. Madras and Andhra Pradesh have also recently published White Papers on the reform of local administration within their jurisdictions.

9. In Assam, primary education has been transferred to *ad hoc* boards; in Bombay, primary education has been transferred to District School Boards; in Mysore, Government propose to replace District Boards by Taluk Development Boards ; and so on. Still other changes in local government organisation have been instituted or are pending in other states.

10. The Study Team was led by Shri Balvantray G. Mehta, M.P. The Team's Report, in three volumes, was published in November and December 1957.

11. Report, Vol. I, p. ii. The full terms of reference of the Team were much wider than this item alone. They are reproduced in full in Vol. III, Appendix I of the Report.

Admittedly, one of the least successful aspects of C.D. and N.E.S. work is its attempt to evoke popular initiative. We have found that few of the local bodies at a higher level than the village panchayat have shown any enthusiasm or interest in this work; and even the panchayats have not come into the field to any appreciable extent... So long as we do not discover or create a representative and democratic institution which will supply the 'local interest, supervision and care necessary to ensure that expenditure of money upon local objects conforms with the needs and wishes of the locality,' invest it with adequate power and assign to it appropriate finances, we will never be able to evoke local interest and excite local initiative in the field of development.<sup>12</sup>

After these findings, the Team undertook to determine what new bodies should be established, and with what jurisdiction, powers and resources, to build the new base for rural development.<sup>13</sup> The burden of the recommendations, therefore, centred on a proposed "democratic decentralisation" of development work.

Before examining this proposal, it is necessary to note the definition of one of the operative terms. "Development work," according to the Team, "covers agriculture, animal husbandry, co-operation, minor irrigation works, village industries, primary education, local communications, sanitation, health and medical relief, local amenities and similar subjects."<sup>14</sup> As wide as may be the specific functions in this definition, "local amenities" cover a multitude of activities, and "similar subjects" even more. Elsewhere in the *Report*, it is apparent that these last items may include the relief of distress, arrangements in connection with local pilgrimages, construction and repair of roads, the fixation of wages under the Minimum Wages Act for non-industrial labour, the welfare of backward classes, the collection and maintenance of statistics, and the management of high schools. Possibly the development of small forests, the maintenance of watch and ward establishment, excise "and such other items" may also be brought into the "field of development."<sup>15</sup>

Such a definition embraces virtually all of the services of local government. The only notable omissions are law and order and the judiciary, the former being a state function in any event. Without commenting on the validity of this specification, it may be noted that

12. *Report*, Vol. I, p. 5.

13. *Report*, Vol. I, pp. 5, 6.

14. *Report*, Vol. I, p. 7.

15. *Report*, Vol. I, p. 11; Vol. III, p. 167.

the scope of the proposals must, by virtue of this definition, cover local government itself.

Under democratic decentralisation, the old district boards would be swept away. They would be replaced by a new authority, supplemented by revised or new bodies, as outlined below.

- (a) *Panchayat samitis* would be created, to be co-extensive with development blocks. The deliberative council would be constituted by indirect elections from the village panchayats, and would consist of about 20 representatives chosen for terms of 5 years. Further, up to 10 per cent of seats might be filled by representatives of the co-operatives functioning within the block.

The panchayat samiti would have two sets of officers, at block and village levels. The block level officers would include the chief officer and various technical officers; while the village workers would include *gramsevak*s, primary school teachers, and others.

The functions of the panchayat samiti would include all of the activities indicated above as comprising development work, plus the approval of village panchayat budgets.<sup>16</sup>

- (b) A *village panchayat* would be created for each village in the block; or, in appropriate cases, several villages might be joined into one panchayat. A small number of panchas would be elected.

The *gramsevak* of the panchayat samiti would become the development secretary of the gram panchayat. Where there are several villages in the *gramsevak*'s jurisdiction, however, a circle committee comprising sarpanchas and upsarpanchas of each of the constituent gram panchayats would be formed, and the *gramsevak* would serve as its development secretary.

The functions of the village panchayat would include, similarly, the activities of development. Certain functions would be obligatory, while others might be added with consent of the panchayat samiti. Further, the village panchayat "will act as the agent of the panchayat samiti

16. Certain revenues are assigned to the samiti, including a percentage of the land revenue; sugar, water, and other cesses; tax on professions; surcharge on duty on the transfer of immovable property; tolls; pilgrim tax; grants in aid, etc. (*Report*, Vol. I, pp. 12-13).



in executing any schemes of development or other activities."<sup>17</sup>

- (c) *Zila parishads* would be established, to be co-extensive with districts (or after the districts wither away, a number of development blocks). Its members would include the "presidents of the panchayat samitis, all members of the State Legislature and of the Parliament representing a part or a whole of a district whose constituencies lie within the district, and district level officers of the medical, public health, agriculture, veterinary, public health engineering, education, backward classes welfare, public works and other development departments. The Collector will be the chairman of the parishad and one of his officers will be the secretary."<sup>18</sup>

The zila parishad will have no executive functions. Its task will be to ensure necessary co-ordination between the panchayat samitis. The zila parishads would replace present District Planning Committees. "And only the zila parishad will, in all matters, deal directly with the Government or Commissioner or Divisional Officer where such functionaries exist."<sup>19</sup>

The general pattern, therefore, is for a three-tiered scheme. At the bottom are the directly elected village panchayats. At the intermediate level are the panchayat samitis, elected indirectly by the village panchayats, and possessing all powers of development permitted by Government. At the top are the zila parishads who without executive functions, supervise and co-ordinate the work of the panchayat samitis. The levels are linked by (a) the *gramsevak* serving as development secretary of the village panchayat; (b) the approval by the panchayat samiti of village panchayat budgets and, in turn, approval by the zila parishad of panchayat samiti budgets; (c) the election of panchayat samitis from village panchayats; (d) the *ex officio* composition of the zila parishad; and (e) the power of each level to require the lower level to function as its agent.

This, in brief, is the proposal for democratic decentralisation of development work *i.e.* for democratic decentralisation of *local government*.<sup>20</sup>

17. *Report*, Vol. I, p. 18. Certain revenues are assigned to the village panchayat, including the house tax; market tax; octroi or terminal tax; water rate; grants in aid from the panchayat samiti and so on (*Report*, Vol. I, p. 16).

18. *Report*, Vol. I, p. 19.

19. *Report*, Vol. I, pp. 20, 21.

20. Only the major features of the scheme are outlined above. Detailed and supporting provisions will be introduced below, as needed for discussion.

## III

Keeping in view the circumstances which led to the appointment of the Mehta Team, its findings and proposals, it would be appropriate to make here an appraisal of the Team's main recommendations. This appraisal should be made, primarily, within the framework employed for the *Report* itself. Accordingly, the administrative measures suggested may be tested, so far as their design is concerned. But before the soundness of the proposed reforms can be finally appraised, it is necessary to examine them in a more general context; and this is attempted in the conclusion of this section.

If we accept, for the moment, the Team's own view of its quest, *i.e.*, to "discover or create a representative and democratic institution" of local government, a number of assessments must be made.

The first is that there is a general failure in the *Report* to differentiate between the characteristics and requirements of different functions. To call the entire gamut of local government services "development work" may serve to bring the whole of local government under review; but it does not help to determine appropriate jurisdictions or to distribute functions among levels of government.

That there was in fact no such differentiation among functions is first implicit in the definition of development work. It becomes increasingly plain when the Team chooses the intermediate unit. Nowhere does the *Report* examine the requirements for optimum administration (including policy making) for primary education, for example, as contrasted with land management, as contrasted with public health, or as distinct from any of the other profoundly unlike activities which are categorized as development work. Instead of reaching an optimum unit by building up specific requirements, the Team have referred to existing units and made a selection. They observe that "the jurisdiction of the proposed local body should be neither so large as to defeat the very purpose for which it is created nor so small as to militate against efficiency and economy."<sup>21</sup> But then the rationale moves ahead, as here: "Obviously, the village panchayat is too small in area, population, and financial resources to carry out all these (the development) functions."<sup>22</sup> Similarly, the districts, tehsils or talukas, and sub-divisions are unsatisfactory. However, the development block "offers an area large enough for

21. *Report*, Vol. I, p. 8.

22. *Ibid.*

functions which the village panchayat cannot perform and yet small enough to attract the interest and service of residents.”<sup>23</sup>

One may question whether this is a scientific conclusion. That local units must be neither too large nor too small is, indeed, obvious. But is it also obvious that the village panchayat might not be reconstituted to meet the need which it is proposed to meet by an intermediate unit? Is it also obvious that districts are everywhere too large? If this is the case, then why may not the sub-divisions, tehsils or talukas be adequate, particularly where they now correspond to development blocks in area, population, and resources?

It would appear that the choice of the development block, rather than some other arrangement, was determined by the initial definition of local government as development work, and then the preference for the existing development jurisdictions the necessary intermediate unit. There was no real opportunity for the Team to test this conclusion because the specific and detailed requirements of individual functions were never appraised. To over-simplify the logic, but perhaps to catch the truth of the process of choice: since local government is development, and villages cannot perform all development functions, and other units are not development units, therefore the intermediate unit of local government should be the development block. At each stage in this process, it will be noted, there are untested assumptions.

The lack of differentiation among functions also appears in the proposed distribution of activities between the panchayat samitis and the village panchayats. When the assigned activities of each level are examined, it is seen that both levels are often allocated the same responsibilities. For example, the village may supply drinking water; so may the panchayat samiti. The village is charged with the “supervision” of primary schools, while the block is allocated the “administrative control” of the same primary schools. The block is assigned “the welfare of backward classes”; the village is to attend to “the welfare of the backward classes”—presumably the same classes.<sup>24</sup> Moreover, the *Report* speaks of two “sets of officers” of the block, at the village and the block levels.<sup>25</sup>

To be sure, two or more levels of administration may be engaged in the same functions, if these functions are divided internally as to activities and responsibilities. The proper division depends upon the characteristics of the function and the capacities of the units concerned,

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23. *Report*, Vol. I, p. 9.

24. *Report*, Vol III, pp. 167-9.

25. *Report*, Vol I, p. 13.

among other things. But when no analysis of either has been made, clarification of assignment may not be achieved. This ambiguity, deriving from a lack of basic analysis, is only increased by the suggestion that "all the functions concerning a village within the jurisdiction of a village panchayat should be the responsibility of the village panchayat except for the functions involving similar interests of more than one village panchayat; these should be the responsibility of the panchayat samiti."<sup>26</sup> With this criterion as the governing principle and without scientific analysis of requirements, it is quite impossible to ascertain who should do what concerning drinking water, primary schools, the backward classes, or many of the other functions assigned to both villages and blocks.

At another series of points, the Team's proposals may prove unsound. The arrangements recommended seem incompatible at several places with the overriding purpose for which they are made, that is the evocation of initiative and the creation of representative and democratic local self-government. For example, the only elections proposed to be held are at the village level; the panchayat samitis are selected by the village panchayats, and the zila parishads are *ex officio* bodies. The case against direct elections, at least to the block level, appears to be that (a) they are expensive, and (b) they encourage factionalism. But surely the balance of advantage tips the other way. The panchayat samitis are described as key bodies in development policy; their importance is represented as surpassing in many ways that of the village panchayats. Moreover, one of the main supports to democratic education is the exercise of the right to vote. Certainly the expense would be offset by the value received, particularly in a complex governmental structure involving two additional levels of power above the village, and in the circumstance that local responsibility and initiative are sought to be encouraged.

Similarly, it is quite unacceptable within the purpose of the reforms to have reserved seats for the co-operatives on the panchayat samitis. This provision, like others previously cited, may have arisen from the failure to differentiate properly among functions. A co-operative society is a restricted association for economic advantage. In the nature of things it cannot be open to all citizens in the block. Co-operatives may protect and promote their legitimate interests through the ordinary processes of representation and petition. They do not require double representation. Such an arrangement is inherently an abnegation of universal (and equal) adult suffrage; and it has no place at the base of India's democracy.

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26. *Report*, Vol. III, pp. 167.

Again, it is puzzling why it should be considered appropriate to provide that during the first two years of the life of a panchayat samiti, the sub-divisional officer or revenue divisional officer should be its chairman. The reason offered, "to ensure that the administrative machinery of the block is assembled and set in motion by a person with administrative experience," seems an inadequate cause and an unnecessary arrangement. As the Team observes elsewhere, "the country has found competent persons to take charge of its affairs at other levels; the needs and circumstances of the block level body will discover adequate personnel within its area."<sup>27</sup> There would therefore be no reason to doubt that a satisfactory chairman would come forward. It would be most stultifying to place this key post at the very outset in the hands of a government officer. Moreover, if the deliberative and executive functions are divided as proposed, the chairman will have no business to put the administrative machinery in order. Further still, this should be the job of the chief executive officer for whom provision is made and not of the sub-divisional officer.

In a more fundamental way, the ends and the means of democratic decentralisation have not been made to square. It is a great anti-climax to the call for "faith in democracy"<sup>28</sup> and to the defense of popular institutions at the village and block levels, to have the third level body, the zila parishad, composed in part of district officers. It is further surprising to learn :

Nor do we consider that the district level officers on the panchayat samitis would be members of the parishad without the power to vote; that would be the surest insurance for indifference. The time is long past when we could think of the officers' interest in rural development as something different from or contrary to that of the non-officials.<sup>29</sup>

There are many forms and relationships which may be utilised in the functioning of democracy. Levels may be arranged in innumerable ways, powers may be separated or combined in illimitable fashions—but in the full range of potential variations of democratic statecraft, this council of elected representatives and government officers would not appear. Government officers may often informally dominate public policy, and their advice may amount to guidance; but the distinction in status and in the legitimate sources of power of representatives and servants must be carefully preserved. In view

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27. *Report*, Vol. I, p. 9.

28. *Report*, Vol. I, p. 21.

29. *Report*, Vol. I, p. 20.

of the functions assigned to the zila parishad, and of its authority to control the panchayat samitis, the purposes of democratic decentralisation at the village and block levels may be defeated at the parishad level.

It may be added, incidentally, that other features of the zila parishad are also confusing. Why members of Parliament and the State Legislature should be members of the parishad is not clear. As a device for co-ordinating the activities of the parishad and the Centre, membership of M.P.s and M.L.A.s will be disappointing. The levels are too far apart; and the M.P. may not possess the required knowledge of administrative affairs at the Centre. Similarly, it is very difficult to see why no funds or staff were provided to the zila parishad. It is very well to suggest that this body will have no "executive functions." But the assigned tasks of the parishad are:

- (1) To examine and approve the budgets of the panchayat samitis.
- (2) To distribute the funds allotted for the district as a whole between the various panchayat samitis.
- (3) To co-ordinate and consolidate the panchayat samiti plans, annual as well as quinquennial.
- (4) To consolidate the demand for grants for special purposes by the samitis and forward to the Government.
- (5) To supervise the activities of the panchayat samitis.
- (6) To perform certain disciplinary functions in regard to specified categories of the staff of the panchayat samiti.<sup>30</sup>

Item three or item five alone would necessitate a considerable establishment and budget. If, in fact, the work involved is to be done by the district staff, then there would have been no real devolution of power and responsibility; and the promise of local self-government will never be fulfilled.

There is yet a more comprehensive question concerning the proposed democratic decentralisation. When the entire scheme is seen with its collateral and secondary features, it becomes clear that this is not a proposal for local federation, with powers and spheres assigned to each unit or level of units. It is, instead, a unitary outline, with a chain of command and with cumulative responsibility at each higher level in the hierarchy.

The Team have made much of the distinction between delegation of power and decentralisation, explaining that delegation "does

30. *Report*, Vol. III. p. 169.

not divest the Government of the ultimate responsibility for the actions of the authority to whom power is delegated.”<sup>31</sup> It is strange, therefore, that the relevance of this definition is not, in the first instance, seen below the level of Government; and in the second instance, it is ironic that decentralisation may have been lost even at the Government level through official membership of the zila parishad. Within the three tiers, the panchayat samiti functions in the villages through its own officers; it may command the village to act as its agent; it may award or withhold grants for the villages; and, above all, the panchayat samiti has the power to review and approve village panchayat budgets. Thus villages are not, even within a prescribed sphere, self-determining authorities. Villages are given no charter of “home rule.” But similarly the panchayat samiti is subject to the direction and superintendence of the zila parishad, however inadequate the provisions for the parishad to fill this role effectively. The approval of budgets, consolidation of plans, and other activities of the parishad are the incidents of control, not of federated co-ordination. And, indeed, by assigning this function to the parishad without an appropriate constitution or establishment, the way may be prepared for continuing delegation, rather than the intended decentralisation.

#### IV

In sum, then, a number of deficiencies of administrative design may be noted, in the main proposals of the Mehta Team. The definition of development work as embracing all of the functions of local government is open to question, particularly if that definition is to be used as a basis of organisation. The subsequent choice of the development block does not appear to have been based on empirical analysis and systematic evidence. The allocation of functions between the primary and intermediate units is ambiguous. The restriction of direct elections to the primary level only, is not well calculated to evoke popular interest or to secure democratic control over local governmental activities. The reservation of seats on the panchayat samitis for co-operative societies is unwarranted. To have the intermediate unit chaired initially by the sub-divisional officer would be an unnecessary and stultifying step. Constituting the highest body to include official members, with the District Collector as chairman, is incompatible with democratic principle. Finally, the structure proposed does not in fact provide internally for decentralisation, but rather for a delegation of power.

31. *Report*, Vol. I, p. 7.

The above criticism focusses narrowly on the organisation of institutions; and that is also the focus of the *Mehta Report*. But one may question whether that focus is adequate to the problem assigned to the Mehta Team. Their primary task, as has been noted, was to determine—

the extent to which the (community development) movement has succeeded in utilising local initiative and in creating institutions to ensure continuity in the process of improving economic and social conditions in rural areas.

The Team's first conclusion was that local initiative has not been called forth, and that popular interest has indeed been lacking. The question why this is so, the Team has answered by a criticism of existing institutions and by formulating a new administrative set-up:

With this background (the *Report* observes), we have to consider whether the time has not arrived to replace all these bodies by a single representative and *vigorous democratic institution* to take charge of all aspects of development work in the rural areas.<sup>32</sup>

The search for vigorous democracy, however, is not exhausted by the search for an institution. For although misorganisation may stifle democratic vigour, even the best institutions cannot in themselves create it. The *Report* tries to achieve by manipulation of forms, what can be attained only through the development of ideas, ideals, and values. In short, what one misses in the *Mehta Report* is what should have been its first half: a re-examination of the basic ideas and assumptions underlying the ideal of local self-government, and an appraisal of the extent to which they are recognised, especially at the level where the community development programme operates.

Such re-examination is not a need of Indian democracy only. The institutions of every democratic society require constant debate of their underlying principles in order to remain democratically alive. Institutions of local self-government everywhere are in special need of re-examination today, as the services required by local communities become increasingly complicated. Where this crisis in local government has been met by purely administrative adjustment, administration has become less and less responsive to democratic principle and popular wish. The necessary alternative is a continuing appraisal of what the "mastership of the public" means; of the extent to which the public is provided with opportunities for

32. *Report*, Vol. I, p. 6. Italics by author of the article.



discussion, decision and control, and knows how to use them; and of the extent to which the spirit of democratic responsiveness is present in the administration.

The problem is thus universal. But the situation of Indian local government is unique. For although India has one of the oldest traditions of local self-government in the world, that tradition was interrupted for many generations; it is now being reconstituted all at once. In the nature of things, the basis of local government in India before Independence could not be the principle of the "mastership of the public"; but in free India that principle has become fundamental. Wherever local democracy has developed in the West, it has been at first restricted in scope, and has only slowly broadened to include all the public; but the principles of universal suffrage and equality before the law were adopted immediately for the Indian democracy. And, finally, the varied technical and welfare services, for which local governments in the West have had to assume responsibility only gradually, must be taken on all at once in India.

Each of these developments by itself would necessitate broad discussion and debate, if its implication for the individual citizen, representative, or administrator is to be understood. In these circumstances it is not to be wondered at if the Indian villager has not at once grasped what his role should be, and assumed it with enthusiasm. To achieve general understanding of all these developments will require the best efforts of India's political thinkers in the universities and in the political parties, of her administrative experts, of her teachers, and her village workers.

The *Mehta Report* makes many significant contributions to the cause of local self-government in India. This study has confirmed afresh that the vital work of building the nation's development from the bottom is not proceeding as wanted; it has focussed attention upon apparent inadequacies in the traditional units of local government for the new tasks of the welfare state; and it has put forward major proposals for a reorganisation of local administration. Within the context of administrative appraisal and redesign, these are valuable services indeed.

But after granting these contributions the credit they richly deserve, we may still regret that the Mehta Team did not tackle on a more fundamental plane the question it had been asked: *Why* is democratic vigour lacking?

## ACCOUNTABILITY IN THE CORPORATE SECTOR

*D. L. Mazumdar*

ONE of the more important of the reasons<sup>1</sup> for the relatively little impact which economic analysis in this country has had so far on administrative policy is the comparative neglect of the study of the form, structure and behaviour pattern of the economic institutions of the country, a study of the greatest importance to an adequate understanding of the working of the economic order and economic processes. This general observation applies with particular force to the economics of the corporate sector. It is only during the last three or four years that anything like an intelligent awareness of the practical importance of the studies relating to the form, structure and behaviour pattern of this sector has slowly emerged. The reformulation of the economic and social policy of the country in the positive, *albeit* somewhat general, terms of the Avadi Resolution in 1954, and the increasing interest evinced by Government since then in regulating the affairs of the corporate sector with a view to integrating its activities with the values implicit in the broad economic and social policy outlined in this Resolution contributed in no small measure to this growing interest in the corporate sector. A further factor was the relatively rapid extension of the frontiers of the public sector, in which the corporate form of organization has played an increasingly dominant role. In the result, several aspects of the organization and working of the corporate sector have attracted increasing interest not only in governmental circles, but also in the universities, research institutions and among the informed public interested in economic matters.

The problem of accountability in the corporate sector has perhaps been one of the most important of these aspects. Current discussions on this problem have, however, centred mostly round the working of what are called Government companies, that is, companies in which the Central or State Governments separately or jointly have a controlling interest within the meaning of section 617 of the Companies Act. While the issues relating to accountability in Government owned or controlled enterprises, organized in the form of joint stock companies present some peculiar problems arising partly out of the legitimate interest of the State in their working not merely as a shareholder but

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1. These were dealt with in detail in an Extension Lecture on "Economics and Administrative Policy", delivered by the present writer at the University Department of Economics, Jaipur, on the 16th March, 1956.

also as a guardian of the public interest, and partly out of the mechanics and processes of parliamentary government, the problem of accountability, in its essence, is *basically* the same all over the corporate sector, whether a particular enterprise is organised as a Government company or a non-Government company. It may, therefore, be useful to preface the observations on this subject with brief general comments on the *basic* issues underlying the concept of accountability.

## II

In pragmatic discussions on this subject, particularly in legal and administrative circles, accountability is usually treated as a legal or partly legal and partly administrative concept—a matter of answering for their conduct or performance to an appropriate authority in an organization by those who are entrusted with the duty of carrying on its activities, in such terms as an overriding statute or the internal rules and regulations of the organization prescribe. Where authority is dispersed among several organs of an organization, the problem is viewed as one of allocating answerability to different levels or centres; and what is due to the appropriate authority is usually interpreted in legal or administrative terms, *i.e.*, what the basic law governing the particular organization or enterprise requires to be done, or what its internal regulations lay down.

Viewed in this light, accountability is but another aspect of the problem of the exercise of authority, and is often considered as a matter, primarily, of the internal administration of an organization or enterprise. It will be appreciated that in this view the problem of accountability or of the exercise of authority, whichever way one may look at it, is *fundamentally* the same not only in the corporate sector, but, indeed, in any sector of an organized community. For the mainspring of any organized community is always characterised by certain common features, the more important of which are :—

- (a) the existence of a seat of power, centralized or dispersed, needed for carrying out the purpose or objectives of an organization or an enterprise;
- (b) the selection by those occupying this seat of power of the desired behaviour to accomplish the common purpose or objectives;
- (c) the communication by these persons to those under them of the nature and limitations of the desired behaviour;
- (d) the habitual performance by the latter of the desired behaviour; and

- (e) the answerability of the latter for their conduct and performance to the former.

This is the universal pattern of all organized community, and as the activities of a group or enterprise become increasingly diverse in nature and scope, the structure of its social action also becomes increasingly complex and the links between systems of action become necessarily complicated. As a well-known writer has observed : "Planning, co-ordination, allocations of functions or specific tasks, decisions as to the conduct necessary to meet new problems or obstacles faced, the determination of behaviour which should be appropriate to a complex and fluctuating environment, the maintenance of the organization and the imposition of pressures and sanctions necessary to bring about the desired conduct, the resolution of conflict, the allocation of energy and resources, organization in such a manner that it will efficiently attain its goals and preserve a surplus of satisfaction for those engaged in the common enterprise—these are some of the new requirements or functions of organizational life which becomes the task of authority or leadership, and for the due fulfilment of which the different organs of a group or enterprise are accountable to those who exercise authority".

The pressures and sanctions which must from time to time be applied to remove inertia, friction, impediments or obstacles in the way of the fulfilment of the tasks of an organization or an enterprise ordinarily take two forms, viz. the instruments of law and the instruments of custom or tradition. Broadly speaking there are three types of conduct of behaviour :

- (a) conduct which is expected of each member of an organization or an enterprise, irrespective of the law which regulates its activities—conduct, which may be described as "must-conduct", *i.e.*, conduct which by custom or tradition is accepted as being worthy or unworthy, as the case may be, without any question;
- (b) behaviour or conduct, which is not expected and must be inhibited, if necessary, by the sanction of law, *i.e.*, "must-not-conduct"; and
- (c) conduct which may be expected legitimately of the members of an organization or an enterprise in the area of freedom reserved for them.

To what extent, law, on the one hand, and custom or tradition, on the other, can regulate the activities of an enterprise or the conduct of its members at different levels is determined by many factors, the more important of which are :

- (a) the nature of the particular group or enterprise;
- (b) the pressure of voluntary group action in the community at a particular point of time;
- (c) the respect for authority which the members of the group or enterprise entertain; and
- (d) the sense of group or social responsibility displayed by those in authority in a particular group or enterprise.

It is, therefore, hazardous to generalize on the respective roles of law and custom or tradition, as instruments of sanction, for the enforcement of accountability in a group or an organization. But viewed in the perspective of history, the broad inference can be safely drawn that the advance of modern communities has been marked by a progressively diminishing part played by law as an instrument of sanction and by a corresponding enlargement of the area of tradition as a regulator of group conduct and behaviour.

Closely connected with the above facts is the other characteristic of accountability, which has hitherto received little notice in discussions on this subject. As the scope of an organization enlarges and its structure and behaviour pattern become more and more complex, the legal and administrative contents of accountability tend to be increasingly suffused by a growing sense of social responsibility. This is largely because of the progressively increasing impact which the repercussion effects of the activities carried on by a group or organization have not only on the participants in them, but also on individuals and groups outside the organization, and indeed on the community as a whole.

In this situation, these repercussion effects become as much a matter of concern to the particular group or organization as its so-called internal activities; indeed the dividing line between them becomes increasingly blurred. The concept of accountability rapidly develops an external aspect which eventually becomes as important as its internal aspect. For, the concept grows and takes in within its compass not only the requirements of law or administrative regulations governing the conduct of those who control or manage an organization, but also the so-called moral obligations of authority, which become as important and compelling as the requirements of law and regulations. In other words, in all progressive societies, group action becomes increasingly accountable not merely in terms of the law or administrative rules regulating it, but also in terms of its social responsibility not only to the participants but also to the other elements in the community in which that group operates. This universal pattern of

evolution applies as much to the growth and development of joint stock companies in the corporate sector as to any other organization or institution in a community. That is why the problem of accountability, viewed in its true light, is, *basically*, the same both in respect of all companies, irrespective of whether they are Government or non-Government companies.

### III

Accountability, in its legal and administrative sense, in respect of companies means primarily the accountability of those in authority, *i.e.*, the management towards shareholders and creditors under the provisions of the governing law relating to companies. The basic law relating to companies is the company law. It is time that other laws also impose diverse statutory obligations on the management of joint stock companies, in varying measure, not only in respect of the other partners in production and distribution, as for example, labour, but also in respect of the locality or the community in which these companies may be carrying on their activities. Typical of these laws are, of course, the labour laws, the municipal laws and a host of other laws which govern the conduct of trade and industry organized in the corporate form.

But the obligations which these other laws impose on authority are in the nature of liabilities created by statute, which must of course be redeemed, but which do not materially add to the contents of accountability or modify the concept. They are extraneous to the form and structure of joint stock companies, and, however important otherwise, do not basically affect the anatomy or physiology of the corporate form of enterprise. In the context of the present discussions, these extraneous obligations imposed on authority by the other laws and regulations may, therefore, be ignored.

The manner in which company law seeks to enforce accountability in respect of corporate behaviour varies, by and large, with the provisions of the Companies Act or the Corporation Laws which may be in force in a particular country. Since the concepts and categories of the Indian Companies Act are based essentially on the principles underlying Anglo-saxon company law, the comments made in the subsequent paragraphs relate primarily to the provisions of the English and Indian Companies Acts, and the corresponding American practice under the Corporation Laws of that country.

In the first place, company law requires the enactment of a basic constitution which is called its memorandum of association. It lays

down the objects and purposes for which a company is formed which limit the scope of the activities of the company. If company management wishes to proceed beyond these limits, it cannot ordinarily do so, except by amending this basic document in the manner laid down in the relevant company law. In other words, the memorandum of association which contains a company's constitution is only alterable to the extent permitted by the relevant Companies Act to which it owes its validity. Thus, section 16 of the new Indian Companies Act permits alteration in the memorandum of association of a company by a special resolution of its shareholders only in respect of those provisions which are not deemed to be conditions of the memorandum under the provisions of section 13 of that Act. In respect of these conditions, the memorandum of association of a company is unalterable, except with the approval of a court of law. The necessarily rigid provisions of the law on this subject are intended to assist in the enforcement of accountability on the part of those who are in authority in a company, much in the same way as the rigid provisions of many federal constitutions were historically conceived as bulwarks of protection against the exercise of arbitrary powers by Kings or Presidents.

Secondly, company law attempts to regulate the internal structure and the mode of working of a company through its regulations, which are known as its articles of association. Subject to the provisions of the Companies Act, which over-ride these articles, the latter are freely alterable by the company itself, provided the company follows the procedure laid down in the Act for this purpose. The objects underlying a company's articles are primarily to demarcate the respective spheres of authority as between the principal organs of a company, and to define the area of responsibility and the corresponding measure of accountability attaching to them. In the absence of such a document it would have been extremely difficult to determine and enforce accountability *inter se*, as between the different organs of a company.

A company has, ordinarily, two principal organs—the members or shareholders of a company, and its board of directors. In the Indian context, managing agents may also be well described as a third primary organ. For, notwithstanding the provisions of section 368 of the Companies Act, 1956, which lays down that the managing agent of a company “shall exercise his powers, subject to the superintendence, control and direction of its board of directors and subject also to the provisions of its memorandum and articles and to the restrictions contained in Schedule VII of the Act”, the powers and authority vested in managing agents are, in practice, often as wide as those of boards of directors. The provisions of the Companies Act relating to the

powers and duties of these principal organs of a company are intended primarily to define the limits of their authority, so that the fixation of responsibility accompanied by corresponding enforcement of accountability is not rendered needlessly difficult.

Here again, what the company law attempts to do bears a remarkably close analogy to constitutional law. In a parliamentary democracy, legislative authority rests with Parliament, while administration is left to the executive Government, subject to a measure of control by Parliament through its power to force a change of Government. It is much the same with a company, except that a company is not a sovereign body and has only a limited competence such as is conferred on it by the terms of its memorandum of association. Within these limits, however, as a rule, the authority for laying down and altering the internal rules and regulations of a company rests with the members of a company in general meeting. Company law usually contains elaborate provisions on this and related subjects, and, broadly speaking, provides that certain corporate activities cannot be carried out except with the approval of the members of the company in a general meeting. Some of these activities need the approval of the members by a special resolution, *i.e.*, a resolution which requires a three-fourths majority of the members present and entitled to vote, while others can be approved by a simple majority vote. These provisions are in the nature of hedges intended to canalise the exercise of the supreme authority of a company with due regard to the rights of the minority.

Although it would not be constitutionally impossible for a company in general meeting to exercise all its powers, it would be clearly impracticable to do so in the day-to-day administration of its affairs. Hence, all Companies Acts and the articles of association of companies provide for boards of directors, corresponding to the executive government of the State, and lay down the powers to be exercised by them and the manner in which they can be appointed and changed. Like the Government, the directors are ultimately accountable to the "Parliament" constituted by the general body of shareholders, but, in practice, again like the Government, they usually exercise as much control over this "Parliament" as the latter exercises over the Government. Indeed, the trend of modern legislation, to which the Indian Companies Act is no exception, is to confer on the directors the right to exercise all the powers of the company, except such as the Companies Act expressly reserves for exercise by the shareholders in a general meeting.

As a rule, the Companies Act does not usually deal with the other organs of a company, *e.g.*, managing director or general managers, who are not considered to be the primary organs of a company in the



same sense as the members of a company and its board of directors are. In the Indian context, however, having regard to the historical position of managing agents in the management set-up of our joint stock companies, and the consequent need for fixing the nature and limits of their accountability, the Indian Companies Act has considered it necessary to lay down, at considerable length, in the statute itself, their duties and responsibilities *vis-a-vis* the boards of directors and the shareholders. The Indian Companies (Amendment) Act of 1936 felt this need for the first time; the Act of 1956 has greatly extended the limits of their accountability.

The other principal way in which the Companies Act regulates the exercise of power by those in authority in a company and thereby helps in the enforcement of accountability is through the accounts and audit provisions contained in it. Compulsory disclosure of the financial results of a company through accounts is a well-tried and time-honoured method of providing information about companies not only to shareholders but also to all those who have to deal with the company. The accounts provisions of the Indian Companies Act have been always much in advance of the similar provisions in the English and the American Acts, but unfortunately, the complexities of modern business have rendered company accounts in every country increasingly unintelligible, except to the experts and specialists. To the average investor or creditor, in this as in other countries, who lacks the requisite technical skill, company accounts are cryptograms which he is incapable of solving. To this extent, "the rendering of accounts to the general body of members" in the traditional sense has lost much of its efficacy as an instrument of enforcing accountability. And yet, if accounts are to remain the lynch-pin of the present system of protection through disclosure, one of the urgent needs of the corporate sector seems to be to ensure that company accounts are presented in a form which is more readily intelligible to the layman.

Equally important is the need for using the well-known accounting tools like standard costing, budgetary control, etc., as internal tests of efficiency, and making the results of these tests known to the management, shareholders and the general public. These tests are now a days extensively used in all modern business in the advanced countries of the world, and are considered to be one of the most efficient instruments for enforcing accountability in the corporate sector.

The effective use of accounts for this purpose, however, presupposes the existence of a strong, efficient and independent body of auditors. In recent company legislation in most countries, the pivotal role of company auditors in the enforcement of accountability in the corporate sector has been recognized in the provisions of the relevant

statutes relating to the appointment and dismissal of auditors. In so far as auditors can discharge their functions with competence, integrity and independence, the enforcement of accountability is rendered relatively easy.

To this end, the new Companies Act contains several salutary provisions embodied in sections 224 to 226 of the Act. It is, however, difficult for any law fully to ensure professional competence or integrity, much less to guarantee the independence of professional men. Hence, as in all other advanced countries of the world, the profession of accountancy must lift itself up through its own efforts, aided to the maximum extent possible by its professional institutions and the protection afforded by enlightened public opinion. Much has been done, in this direction, in recent years, in this as in other countries, but a great deal still remains to be done. The building up of a strong professional body must, necessarily, be a slow process. If, this process fails, some other effective machinery for the enforcement of accountability in the corporate sector, through the honest and independent scrutiny of company accounts, may well have to be contrived.

The comments in the preceding paragraphs have been concerned with the problem of accountability only in its legal and administrative sense. An attempt has been made to describe very briefly how, within the formal structure of a company, accountability is enforced at different levels through its principal organs. The argument of the foregoing paragraphs applies almost with equal force to Government companies. Whatever may be the motivations underlying the conduct of such companies, those in authority in them are as much accountable in law, and under the internal regulations of these companies, as their counterparts in non-Government companies. This position may have been hitherto somewhat complicated by the manner in which the executive organs of these companies have been manned, and have hitherto functioned. The boards of directors of Government companies consist, by and large, of Government servants, who are not always employed whole-time in the service of the company with which they are connected. In the day-to-day conduct of business by the directors, it is not always easy for Government officials to distinguish clearly between their allegiance to the department of Government to which they belonged and their allegiance to the company on whose board they served. Further, the State, which is the sole or predominant shareholder, had necessarily to be represented in general meetings of shareholders by officers of Government holding the controlling interest in these companies, on behalf of the State, without having any distinctive identity as shareholders. To what extent, by suitable structural or procedural changes, whether under the law or the internal regulations of companies,

some of these facts, which have hitherto masked the true character of Government companies as separate and independent legal entities, can be changed, is a problem of corporate organization and administration, which is beyond the scope of this article. So far as legal accountability is concerned, its scope and incidence, in its application to Government companies, however, remain unaffected by these considerations.

Section 619 of the new Companies Act has added a new element of complexity to the concept of accountability in relation to Government companies by empowering the Comptroller and Auditor General of India, to have some considerable say in the manner in which the accounts of Government companies should be audited, and by requiring that all Government companies must, in addition to their balance-sheets and profit and loss accounts, also submit annual reports on their working to Parliament. The imposition of these additional obligations on Government companies appreciably enlarges the scope and incidence of legal accountability in respect of these companies, and to that extent, it may be *prima facie* claimed, that in its application to Government companies the concept is perhaps somewhat wider and deeper. For, it may well appear that the management of Government companies is answerable not only to their primary organs but also to another authority outside their structure.

This *prima facie* view is not, however, strictly correct, inasmuch as the answerability of Government companies to Parliament *via* the Comptroller and Auditor General, as envisaged in section 619 of the Companies Act, would appear to stem not so much from the position of Parliament as the shareholders of the Government companies as from its primary character as the guardian of the public interest. In other words, it is legitimate to take the view that according to the strict interpretation of the theory of corporate accountability, the additional requirement as to the accountability of Government companies, as laid down in section 619 of the Companies Act, is more an incident of the constitutional position of Parliament than an extension of the scope of the shareholder's right to demand answerability from those in charge of the affairs of Government companies.

#### IV

Accountability, in the social sense, is a concept of relatively recent origin in the corporate sector. What it implies is that the company law or the administrative regulations which define and demarcate the limits of authority in a company and, within such limits, render the exercise of power accountable in terms of this law or a

company's internal regulations, do not by themselves give a true and fair picture of the nature and obligations of authority in any modern company or corporation. In all advanced countries of the world, the dominant position which joint stock companies occupy in the organized private sector imposes obligations, of a very different type, on those in authority in these companies, which far transcend the minimum provisions of the company law.

Accountability in this wider sense arises from the basic fact that a business enterprise can function only in its social environment; and, more importantly, from the further fact that by reason of its dominant position in society, a modern business enterprise produces far-reaching impacts on other individuals, groups and institutions in the society referred to earlier. "Just as the captain of a ship cannot ignore the state of the sea through which he must sail and must continue taking into account its varying moods and temper, so must a modern businessman function against the background of the continuous awareness of the social forces, subject to which any business enterprise must necessarily function". For these reasons, Peter Drucker also observed in *The Practice of Management* that "even the most private of private enterprises must be viewed as an organ of society which serves a social function."

Accountability in the social sense involves, in the first place, the spontaneous acknowledgement and acceptance by those in authority in a company of their obligations not in terms of the provisions of the company law or the internal regulations of the company but as a moral imperative. More than this, it involves a vivid awareness of the active role which authority has to play in the integration of the activities of a company with the public interest in a welfare State. In all advanced countries of the world, accountability of company management in this sense is now an unquestioned norm of composite behaviour. Management no longer represents, as it once did, a single interest of ownership; increasingly the view has gained ground in recent years that directors of a company are trustees not merely for the owners or shareholders of the company, but also for workers, suppliers, consumers, the immediate community and the general public.

The basic logic underlying the growth and development of this new aspect of accountability was well expressed by a former Chairman of the Standard Oil Company (New Jersey) of the U.S.A., in a convocation address delivered before the School of Commerce, Accounts and Finance in the New York University a few years ago, when he said: "...business management in the United States is well on its way towards achieving many of the characteristics of a

profession. It is recognizing the kind of responsibility to the community, as a whole, which all professions must see and acknowledge. . . . It is my belief that technical education and training are not enough if business managers are to have true professional competence. A clear sense of responsibility to and integration with the public welfare is a pre-requisite to successful business management in today's complex world." Again, as a former President of a distinguished American Corporation, with international ramifications, observed some time ago in an address before the Congress of American industry : "An active social sense . . . and individual recognition of social responsibility will compel us, as individuals, to test every managerial practice, measure every policy, by a simple yardstick. 'Not what does it mean for me', but rather 'What will this mean to my *workers* as people, to my *customers*, to my *suppliers*, to my *stock-holders*, to the *community* in which my plant is located, to my *Government*, to the *industry* of which I am a part, to the *economy* as a whole?' These tests, honestly made, of every individual managerial action, policy and practice will be evidence of the true social consciousness."

A little reflection will show that the area of accountability, in the social sense, is much more extensive than the terrain covered by the traditional concept of accountability in the corporate sector in the legal and administrative sense. It is possible to make only a brief mention of the more important of the fields covered by this area. These include *inter alia* :

- (1) The responsibility of management for ensuring the *continued* efficient management of a business enterprise in conformity with the growing social ideals and social urges : For example, it is now generally recognized that it is the social responsibility of management to ensure not merely that the enterprise is operated on a profit, but also that it has the capacity for growth. Company law may not make management legally accountable for this, but it is socially accountable to provide for such growth. This, of course, implies that it should not be hampered in this task by adverse group or public decisions, but it also means that its own commercial and financial policy should be so designed as to take note not merely of the present, but also of the indefinite future. Similarly, the necessity for providing for research, development and expansion are not legal requirements, but social needs calling for the imposition of social obligations on management. Again, the need to provide for a line of efficient management succession by appropriate methods of recruitment and promotion of

management staff is another instance of the type of social responsibility of management which imposes obligations on it not ordinarily arising out of law or the internal regulations of a company. Many other examples of corporate conduct in this category may be cited;

- (2) Management's responsibility to employees for better wages, better standards of living, opportunities for improvement and participation at appropriate levels in management : This is another important example of the type of obligations which do not arise out of statute or rules and regulations;
- (3) The accountability of management to consumers in respect of the price, quality and the continuity of supply of the goods and services produced by the company : This has been always recognized in all advanced countries of the world as an obligation which must be explicitly accepted, although the sanctions of law or the internal regulations of a company may not be able to enforce the observance of the obligations;
- (4) The responsibility of management for the physical health and well-being of the locality in which an enterprise is carried on : Responsibility of this type attracts accountability in the social sense of which enlightened business management is becoming aware in this country only recently;
- (5) Responsibility of company management to the community at large : This is bound increasingly to attract accountability in the social sense in many diverse ways, of which there is, at present, only a vague general awareness even in otherwise well-informed and knowledgeable circles.

If the socialistic pattern of society is to be worked out in practice as a meaningful goal of the country's economic and social policy, the nature of some of these obligations would have to be more clearly defined in concrete terms, so that the corporate sector may not think and act at cross purposes, and may be able, with the help of its enlightened and far-seeing leaders, and with such support and assistance from Government as may be needed, to build up an efficient and workable code of conduct for its members which will formally recognize and be in a position to enforce, through voluntary group action, the social accountability in many of the fields mentioned above.

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A little reflection will show that the area of accountability, in the social sense, is much more extensive than the terrain covered by the traditional concept of accountability in the corporate sector in the legal and administrative sense. It is possible to make only a brief mention of the more important of the fields covered by this area. These include *inter alia* :

- (1) The responsibility of management for ensuring the *continued* efficient management of a business enterprise in conformity with the growing social ideals and social urges : For example, it is now generally recognized that it is the social responsibility of management to ensure not merely that the enterprise is operated on a profit, but also that it has the capacity for growth. Company law may not make management legally accountable for this, but it is socially accountable to provide for such growth. This, of course, implies that it should not be hampered in this task by adverse group or public decisions, but it also means that its own commercial and financial policy should be so designed as to take note not merely of the present, but also of the indefinite future. Similarly, the necessity for providing for research, development and expansion are not legal requirements, but social needs calling for the imposition of social obligations on management. Again, the need to provide for a line of efficient management succession by appropriate methods of recruitment and promotion of

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- (4) The responsibility of management for the physical health and well-being of the locality in which an enterprise is carried on : Responsibility of this type attracts accountability in the social sense of which enlightened business management is becoming aware in this country only recently;
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The enforcement of accountability, in the social sense, is relatively easy in regard to Government companies. This is because the machinery of democratic Government in most countries periodically exposes the affairs of Government companies to the search-light of critical public opinion in a manner unknown to non-Government companies. But, the need for a similar overall scrutiny from time to time into the working of non-Government companies in the private sector, on a voluntary basis, by an appropriate authority enjoying the respect and confidence of the business community would seem to be no less necessary in the social interest. In many modern countries of the world, this service is rendered by specialized organizations set up by the traditional trade and business organisations themselves, and it may well be that with suitable adjustments in their structure and working, our business organizations may also be able to devise appropriate cells, in collaboration with one another, for the purposes of the new tasks ahead of them.

## V

The foregoing review of the nature of accountability in the corporate sector assumes that there is full and adequate understanding in knowledgeable and informed circles of the practical purposes which are subserved by the enforcement of accountability. In any event, the limits of this article do not permit of any reference to this aspect of the problem. For the sake of completeness of the narrative, it is, however, necessary to add that the enforcement of accountability is essentially, a means to an end—an aspect of corporate administration designed to ensure that honourable methods are followed to achieve the immediate aims of corporate activity. In the long view, in no sector of a nation's life, can means be divorced from ends. This is recognized to be so in all modern countries of the world as much by the enlightened leaders of business as by the professional practitioners in the corporate sector.

Equally, it is being increasingly recognized in this country that the fullest utilization of our productive resources employed in the corporate sector, in terms of the quantity, quality and the prices of the goods and services produced, in an orderly manner and in conformity with the objectives of our Plan, can never be ensured, if accountability, in both the legal and the social senses, takes a back seat in the conduct of corporate enterprise. Good house-keeping in the corporate sector, as in domestic life, must continually ask for answers from the keepers of the house, in order to ensure that they are rendering services commensurate with their costs. The problem of practical policy in

regard to the enforcement of accountability in the corporate sector, as in all other segments of our national life, is to know how and when to ask the right questions, how to devise an effective machinery for collecting, screening and valuing the answers to these questions expeditiously and honestly, and then on the basis of these answers how to use persuasion or pressure, as the case may be, at the focal points of a company in order to ensure good corporate behaviour, without damaging the springs of initiative and enterprise or affecting the dynamism of the best elements in trade and industry.



## HENLEY AND HYDERABAD

*J. W. L. Adams*

THE establishment of the Administrative Staff College in India at Hyderabad constitutes a valuable and novel addition to the existing programmes of training for higher administrative responsibilities. The College is patterned on the College which was opened at Henley-on-Thames in England in 1948 and which has since won international reputation for its work. The essential ideas and procedures of Henley have been adopted at Hyderabad, but substantial modifications in details have been made to meet the particular circumstances of India.

In what follows, an attempt has been made to give an account of the work of the British and Indian Colleges and the concepts which underlie them. Some points of divergence have been noted. These are mostly in matters of detail; for the most part, the objectives and practices of the British College have been followed at Hyderabad.

The Hyderabad College was founded in 1957 with General S.M. Srinagesh as its first Principal. Its first session started on December 6, 1957, and concluded on February 28, 1958. It was established in pursuance of the recommendations, of an Expert Committee of the All-India Council for Technical Education, made in its report on education and training in industrial administration and business management, submitted in 1953. The detailed plans were made by a Planning Committee of which the Minister of Commerce (then Shri T.T. Krishnamachari) was the Chairman.

The Administrative Staff College at Henley grew out of the belief that the scale and complexity of modern industrial and commercial enterprises and government functions had outstripped managerial and administrative practices. In the interests of their own professional development and for widening of administrative insights, there was, it was felt, a need for men and women of experience, engaged in different aspects of public life, to meet together to study the problems they had in common. As Sir Hector Hetherington (Principal and Vice-Chancellor of the University of Glasgow) wrote in an article in the *London Times* of November 7, 1945 :

"A time comes in eight or ten or fifteen years, when, having learned and practised his calling, a man does well to cease for a little from action, and to think what he is doing

and why and how he is doing it. That is apt to be the most fruitful educational phase of all. The best thinking springs from practice, and a man who by thinking has more thoroughly possessed himself of what he is and does is ripe for greater responsibility."

"The College ought to be a meeting place of the two categories of administrators—the officers of the private and public services. In future, as increasingly during the war, they must work together. It is important that they should understand the very different situations in which they are placed and the different responsibilities which they carry. Much frustration will be saved thereby. It is even more important that each should acquire, as far as may be, the characteristic virtues of the other, and know its own characteristics and defects. That is the way of amendment. For the final objective of all this enterprise is not theory, but better practice devoted to the fuller service of the public interest."

The three important points emphasised by Sir Hector were : (1) The members of the College were to be persons of some maturity, but yet at a stage of development when they were still adaptable; (2) they were to be practising administrators who would return to their practice, not academic students of administration; (3) they were to be drawn from industry, commerce and government, in the belief that the problems of administration in these different spheres had common features and that promotion of the public interest in modern societies required a closer mutual understanding and increasing co-operation between the servants of government on the one hand and of private enterprise on the other.

Each of these factors exercised a profound influence on objectives and methods of training which were later set out for the Henley College; these also since have been incorporated in the Indian College.

### **The Object of Higher Training in Administration**

The object of both the Colleges is not primarily to extend or impart knowledge but to cultivate administrative skills and talents and to develop an awareness in the trainees which would help them to tackle their own jobs, on return, with a broader vision and deeper understanding. The training programme is therefore so designed as to encourage the participants to think about and develop the skills which

a senior administrator needs; the ability to see clearly an objective; the skill to plan, to delegate and control work and to mobilise the knowledge and abilities of others to achieve that objective; the skill to handle a management team involving co-operation with colleagues—often more experienced than himself; learning to make decisions as intelligently as possible in time and with the resources available; and finally ability to understand the complex interrelationships of a modern community, which involves appreciating the distinctive points of view and abilities of those who are working in other fields and learning from their experiences.

### Training Methods and Techniques

(a) *The Syndicates*: The method of training predominantly used is that of syndicates. This method is not only flexible but also helps to sharpen the varied skills and abilities so essential for providing administrative leadership and direction in the higher levels of management. The number of syndicates is usually nine or ten. For all subjects except one<sup>1</sup>, the syndicates consist of a carefully balanced mixture of skills and employment. The aim is that each should contain members who have had experience in production, marketing, finance and accounting, research, and general management or administration. Each syndicate should also contain one banker and at least one member from the Union Government, one from State Government and one from a public sector industry. The remaining members are chosen to represent as great a variety as possible of private industry.<sup>2</sup>

For each subject, the College appoints a member of the syndicate as Chairman and another as Secretary. Except at the beginning

1. cf p 72.

2. In detail, the typical Syndicate at Henley is composed as follows :

A. By Employment		B. By Function	
Civil Service	... 1		
Nationalised Industry	... 1	Production	... 3
Banking	... 1		
Industry & Commerce	... 4	Research & Development	... 1
(Large)			
Industry & Commerce	... 1	Sales, Purchasing, Distribution	... 2
(Small)			
Overseas	... 1	Banking, Insurance, Financial	... 1
Local Government			
or		Accountancy	... 1
Fighting Services	... 1		
or		General Management	... 2
Sundry Unclassified			
<hr/>		<hr/>	
10		10	

of the session, these two receive their papers some four days before the syndicate meets. These papers consist of (1) the "brief", which is a short statement of the field to be studied and of what the syndicate is required to produce as a result of its studies; (2) an extract from the main College time-table showing the periods allotted for this particular subject; and (3) for some subjects only, a list of recommendations for reading.

About two days before the syndicate meeting the Chairman and Secretary call on the member of the Directing Staff attached to their syndicate and are briefed verbally about the subject. This verbal briefing is intended to ensure that they understand fully the written brief, any time-table problems there may be, the facilities available to help them with their studies and what they are required to produce. It does not give them any advice about what conclusions they ought to come to. There are no "school solutions" for any of the problems set.

At this meeting, the papers for the remaining members of the syndicate are handed over to the Secretary, so that he can incorporate any further instructions that his Chairman may wish to issue to the members before the opening meeting.

From this time on, the Chairman is fully responsible for the conduct of the study. At the opening meeting of the syndicate, he explains to the members the scope of the study which is outlined in the written brief; proposes a plan for carrying out the requirement as completely as possible in the time available and gets it agreed to by the syndicate; and delegates the work to be undertaken. Subsequently he has to keep control, and, above all, win the co-operation of his fellow members to see that the final "study" requirement is ready by the time stated in the programme and that it represents the highest level of thought that the syndicate can achieve.

After the initial briefing, the member of the Directing Staff acts as an observer and consultant, intervening only to contribute ideas or experience of his own, if he thinks he has a point which has not been brought out by some member of the syndicate, or to help the Chairman if he has got into difficulties. It is up to the syndicate to decide what use should be made of any such contributions. The responsibility rests fully with it and with its Chairman. For this reason, if any serious help has to be given to a Chairman, it will be done privately outside the meeting. To emphasise this detached role of the Directing Staff, they sit, away from the main tables, at a desk of their own, in the syndicate rooms.

The final 'study' requirement is a report of 2,000 to 3,000 words, either on the syndicate subject, or on several issues selected for

discussion at a College Conference. It is emphasised that this report is to be the report of the whole syndicate, not merely of its Chairman and Secretary. The syndicate must agree to the report. That is not to say that every member must agree with all the views expressed in it. On the contrary, the more valuable reports are often those on which real differences of opinion are clearly and temperately expressed. Their preparation is an exercise in the difficult task of ensuring that written statements express the highest level of thought and discussion of the group, and not the lowest level at which a general agreement or safe and acceptable conclusions can easily be arrived at. It is also a valuable exercise in drafting, although syndicates are discouraged from spending undue time on points of verbal detail.

A cardinal requirement is that reports be ready by the time stated in the programme. A major problem in any administrative situation is to make sound decisions within a time limit on the evidence available. Neither time nor facts are usually sufficient by academic standards. Insistence on the time factor in submission of reports is, therefore, a realistic exercise.

When completed, the reports are duplicated and circulated to each member of the course. A period is then allotted for each syndicate to consider the reports of the others and send in a note of questions which they wish to see further discussed. Finally, all the syndicates meet together and each Chairman is required to make a brief speech presenting his report to the meeting, this is a practice in the difficult art of speaking for his team before a critical and alert audience. Therefore, at these meetings, a discussion takes place on the issues which have been raised by syndicates on the other syndicate reports. Each Chairman is responsible for leading his team, delegating the duties of question or answer as he sees fit, although individual members are free to come forward with particular views if they so wish. Thus, the syndicates under the leadership of the Chairman, have to stand up for their work against the criticism of their colleagues. Only when this is over has the Chairman completed his task. In some sessions, the syndicate studies lead to a College Conference, rather than to a common meeting of all syndicates.

If a subject ends in a Conference, the procedure is simple. After their last individual meetings, the syndicates send in summaries of their reports on a selection of the issues which they have discussed; and from these an agenda for the Conference is prepared. Under the leadership of their chairmen, the syndicates propound their views at the Conference, which are criticised or supported by other syndicates or individual members.

The main resource available to the syndicates for their studies is the experience of their members. There is a lot of experience in a group of ten persons, each of whom has spent from ten to twenty years in industry, commerce or government. An important part of each study consists in drawing out this experience. In every subject, it is one of the main duties of the Chairman to see that he gets the best that he can out of the group. Some subjects require little else; others require supplementation by reading, for which guidance is given in the brief. Each syndicate has at its disposal a small working library apart from the facility of the main college collection. For some subjects, the College provides papers specially written for the purpose.

(b) *Lectures and Field Visits* : In addition, a relatively small number of lectures on special aspects of the topics under discussion are given by visiting expert-administrators, who come for short periods to the College. The experts come fresh from the practice of their calling. By this means, the members get a wider range of expert advice than could be given by the resident staff. Some experts come not to lecture but to meet the syndicates and be asked questions. On some subjects, this is a more suitable procedure. It also gives chairmen and syndicates practice in the skills of handling an expert witness so as to get the best out of him in the limited time available.

Arrangements are also made for members to go out and obtain for their syndicates first-hand information about thought and practice in industrial concerns, public enterprises, government departments, research institutions and social organisations. These are not sight-seeing trips; they are related to subjects which are under discussion at the College at the time. Syndicates are made responsible to ensure that their members are properly briefed before they go out and that they bring back from their excursion the information which the syndicate wants to have for its study.

The compactness of England makes it possible for each of the field visits—there are three of these at different stages in the Henley programme—to be related to a particular subject. In India, where distances make travel costly and time-consuming, it is necessary to group these visits into a tour of a number of institutions with different administrative problems. During the first session at Hyderabad, two long distance tours and visits to local undertakings for one full day were arranged for. In future, it is proposed to reduce the long distance tours to one, largely because, in addition to being expensive, they are very fatiguing. There is, however, no doubt of the value of this aspect of the programme. Apart from the data which is thereby collected, the field visits provide a sort of training in the art



of culling out all the needed information through comparatively short visits—an activity which senior executives constantly have to perform.

(c) *Interchange and Continuity of Experience*: An essential element of the present pattern of training is to promote as much interchange of experience as possible. At the same time, it is important to preserve the continuity and understanding which comes from close association together over a period of time. This combination is achieved in the College by keeping members in the same syndicates for most of the subjects of the course, but grouping them in different combinations for some subjects. There are three such mixtures. The first takes place about the third week of the programme when all members according to their experience are grouped in Specialist Syndicates to study the problems which they consider of current importance in their particular specialism, whether it be production, marketing, office services, finance, research or personnel administration. This is the only study for which the syndicates are not composed with a mixture of skills and employment which was referred to earlier. The other two occasions occur about the fifth and eighth week when, for two subjects only, the membership of the syndicates is altered, although the pattern of their composition remains the same. These are known as Modified Syndicates.

Because the College is residential, there is also a wide exchange of information and thought outside the formal programme. One product of this combination of continuity and interchange is the growth of a closer understanding and appreciation of each other's point of view by members from private industry, public enterprise and government. This, which was one of the objects for which Henley was founded, emerges quite spontaneously as each course develops. It is encouraging to find the same kind of growth taking place at Hyderabad.

The choice of three months as the length of the course at Henley was largely dictated by the objects of the course and the type of members for whom it was designed. It was considered that this was the minimum period in which anything useful could be done and that government and business firms would be prepared to consider releasing outstanding men or women for this period, but would not take kindly to their being away for longer. Even otherwise, it may probably be undesirable for them to be away from their normal work for longer period at this particular stage of their development. Opinions, however, vary in different countries on this point. The Sloan Fellowship programme in the United States, for example, is for a whole year.

Hyderabad has in fact followed the practice in the United Kingdom. Experience so far would seem to confirm that both the present duration and character of the course are appropriate and adequate to meet the needs.

### The Contents of the Course

Administration is concerned with the unified and continued direction of an undertaking, but for practical study some break-down into subjects is necessary. Essentially, therefore, the course of studies consists of an analysis and a synthesis. The analysis has three parts : (i) a study of the international relations of an organisation; (ii) a study of the specialist functions which go to make up the whole; and (iii) a study of the external relations of different organisations with each other. The synthesis has two parts : (a) the examination of the reaction of a whole undertaking to a set of particular circumstances; and (b) consideration of the problems of overall direction, which is the responsibility of those at the head of the undertaking.

The first requirement of a programme which aims to work largely by a process of 'spontaneous combustion' is to enable members to understand the background of their colleagues and the kind of experience which they have to contribute. This forms 'Part A' of the course and is achieved by getting each syndicate to report on the administrative structures of the undertakings represented and to comment on similarities and differences found and the reasons thereof. In his first few days at the College, every member, therefore, has to make a contribution; for there are never two members from the same undertaking in the same syndicate. This is followed, in 'Part B' of the course by the study of four aspects of internal relations: (i) the principles of organisation and problems of the interrelation of departments; (ii) delegation and control; (iii) management of the individual and the work group; and (iv) accountability. 'Part C' consists of the examination of various specialist functions by the members who have experience of them. Their reports are reviewed in a series of conferences by the general body organised in their ordinary syndicates. In 'Part D' are considered the interrelations between organised labour, industrial or commercial undertakings in the public and private sector and central, state and local governments. This completes the analytic section of the programme.

A partial synthesis is obtained in 'Part E' where syndicates are required in three studies to consider the dynamic problems of adjustment of an undertaking to economic and technological change

and of developing and maintaining vitality of administration when there are no such outside pressures. The synthesis is completed in 'Part F' by an examination of the responsibilities and duties of top administrators and managers.

To focus attention on the personal qualities and practices required for administrative leadership, which they have been asked to discount in their studies of organisation, syndicates undertake two biographical studies—one during each half of the course. A special assignment is also arranged to enable syndicates to examine some special topic of current public importance; in the first session, it was the location-of-industry aspect of the Second Five Year Plan.

Instruction in the essential concepts of accounting and statistics is given in a series of lectures to assist the members in understanding the contemporary issues for which a knowledge of accounting and to some extent of statistics is desirable. This helps to remedy in some measure the ignorance of these subjects in many businessmen and government servants in India, as in England. General background lectures on questions of economics and economic organisation are also provided. These are the only subjects which are wholly or largely covered by the lecture method. Other lectures at the College relate to specific aspects of subjects under study by the syndicates, and form only a minor part of the method of instruction.

In general, the subjects studied at Henley and Hyderabad are the same. At Henley, delegation, control and accountability are treated together in the second part of the course; in view of the different constitutional position in India and the relatively greater importance of the impact of Government on the community, the fourth part of the course carries relatively more weight at Hyderabad and is dealt with on a slightly different basis; the content of the 'special subject' is also naturally different. These are, however, differences more of form than of substance. The flexible character of the method of work has allowed it to be readily adapted to new circumstances and the usefulness of the basic concept of the course has been amply demonstrated by the experience of the first session at Hyderabad, which has also thrown up a few proposals for substantial modification.

The normal syndicate period lasts for an hour and a half. It, however, lies within the discretion of the Chairman and the syndicate to decide whether to meet for the whole period or less; whether to arrange extra periods—too frequent resort to these almost certainly betokens bad planning or lack of control; or whether to cancel a meeting altogether, which they are perfectly entitled to do if they can effectively complete their study in less than the prescribed time.

The time allotted to subjects naturally varies according to their complexity and importance. To give time for reading and maturing of thought, to vary the daily fare and to ensure that the responsibilities of serving as Chairman and Secretary are fairly evenly spread throughout the duration of the course, each subject extends over a considerable period. At any one time syndicates will be engaged on four to six studies in different stages of completion under different chairmen. A short subject will occupy, perhaps, six syndicate periods spread over some ten to fourteen days; a lengthy subject may be given fourteen periods including lectures and may remain on the programme for three or four weeks or even six as is the case with biographies, for which much reading has to be done. This overlap, in addition to emphasising the inter-relation of many of the individual subject studies, imparts a realistic touch to the training. In his normal life a succession of different problems flows daily over the administrator's desk.

### **Selecting the Trainees**

The period of study at the College is but an interlude in the career of the member. As pointed out earlier it is not designed to train him for a new vocation or to train fresh recruits for administrative positions; its primary purpose is to sharpen his already acquired administrative skills and broaden and deepen his administrative insights. The person best able to judge the need for such advanced training in the light of the past performance and future potentialities and prospects of an individual is the employer. To give higher training to someone who is unlikely to have the opportunity of reaching a position of high responsibility would be a waste of time and money; and it will bring nothing but frustration to the individual concerned. To release an important officer in an organisation for a period of three months calls for considerable re-arrangement of duties in the organisation however large. Again, because of the special character of its course and the syndicate method of study, the College, more than most educational institutions, depends for its success on the quality of the candidates coming forward. Moreover, the College at Henley is and always has been financed entirely out of fees and voluntary subscriptions; while the College at Hyderabad has received an initial grant from Government to supplement voluntary contributions, but this financial aid has been given on the understanding that the College will be self-supporting within three years. It has, therefore, been found necessary at both Colleges to charge fees which many of the candidates cannot be expected to afford.

For all these reasons, the active co-operation and help of the employer in the selection process is indispensable.

The College, therefore, requires that all candidates be nominated by their employer. In England the necessary understanding between the College and the employers has come to be established over a period of years. The Hyderabad College has still to develop a similar relationship with employers in India—be they private industry, public enterprises, or Governments.

It is equally important that the College should have the right of selection, to ensure that it gets the right balance of members in each session. The procedure for selection, therefore, is that candidates are nominated by their employers and selected by the College, if possible, after interview. The interview is designed more to assess whether the candidate will fit well into the College programme than just to determine his suitability for admission. Some of the factors which have to be considered here are : What syndicate should be he assigned to? Which chairmanships should he hold? Is he already mature and likely to make a quick start? Or is he someone who will probably 'come on' as the course proceeds? The interview is also the first contact of the College with a prospective member and gives opportunity for conveying to him some idea of what he will be expected to do if he is selected and to initiate him into the College climate. In Henley, this object is promoted by the fact that all interviews are held at the College. In India, this is more difficult; the journey to Hyderabad is from most parts of the country long and costly. For this reason, interviews will probably be held in various centres at regular intervals, which will make it more than ever necessary for nominators to submit the names of candidates well in advance. From the point of view of the College, it would be desirable that employers should think a year ahead in notifying their selections, as some employers have already started to do. From the employers' point of view too, there are obvious advantages in planning well in advance to release an important man.

As to qualifications for admission, the College is interested more in the fact that candidates have had considerable experience in their field of work and have shown good promise for holding responsible positions and for further development than in any formal educational qualifications, although a good education and capacity to communicate are obviously necessary. These requirements and the experience of Henley indicate that the normal age range of candidates should be between the middle thirties and early forties. At Henley, candidates outside the range of 35 to 42 are regarded as exceptions. The

average is consistently about 39. Especially in the formative stages, it is wiser to avoid hard and fast rules. Hyderabad is still experimenting.

### **Staff and Research**

From the foregoing account of the method of work, it is apparent that the role of the staff in the Administrative Staff College is not that of teachers or instructors in the conventional sense. Each member of the Directing Staff is responsible for preparing the papers on several of the subjects in the programme. He has to keep in regular touch with the latest developments and thinking in his particular field and know who are the people who can make a particular contribution to some aspect of it by talks or as witnesses to 'tour' the syndicates. He has also to find out which factories, public institutions, or other places it will be useful for the members to visit, if field observations will help in the study of the subject. Above all, he has to understand the methods of work of the College and possess those personal qualities and experiences which will entitle him to act as a guide, philosopher and friend to his syndicate and its members collectively and individually.

The members of the staff are not, therefore, expected to be experts in business or public administration or specialists in any one of these particular aspects. Their number is quite small. One member for each syndicate, one or two extra to allow for a sabbatical session at intervals, a Director of Studies, a Director of Research, a Bursar-Registrar and the Principal form the operational staff at Henley. Of these usually two members are on temporary loan from industry, commerce or the civil service; the remainder are on the permanent establishment. One of the temporary members at Henley is always a banker, who is invaluable for the wide experience of people and of business finance which he brings to bear upon, and for the knowledge which he can contribute to, the financial aspects of some parts of the course.

The selection of the teaching staff at Hyderabad has been made as far as possible on the same principles as are followed at Henley. One way in which Government and business concerns can help is to second senior members of their staff to serve on the directing staff of the College for periods of not less than one session, as did Hindustan Lever Ltd., recently by seconding one of their Directors to the first session.

The Hyderabad College cannot afford to recruit permanent staff of calibre; it can, however, have the benefit of the valuable and rich experience of higher business executives and administrators by their secondment for short periods. The latter, who are too senior

to come to the College as ordinary members, will find their short stay at the College equally instructive and exhilarating.

The initial role of the research department in both Colleges has been to provide material for the course of studies. At Henley, the object has hitherto been that the research department should not be large, but it should be the focal point of research in administration. In co-operation with universities and other bodies, the department has recently been devoting increased attention to fundamental research. It is to be hoped that the Hyderabad College will also, in due course of time, become a centre of basic research on administrative problems. Research into administrative processes is still, however, largely in its infancy. Much requires to be done but there is wisdom in proceeding slowly in a vast and complex field such as administration, where both objectives and disciplines still require considerable clarification. Administrative research is still to be differentiated from research in the fields of government, applied economics, sociology, psychology and other similar studies which are already well established in some universities and other institutions.

### Conclusion

The programme of study for higher training in administration, which has now shown itself so adaptable to the circumstances of India and which was also adopted at a similar College in Australia in September 1957, was built up as a result of the creative thinking of Sir Noel Hall, the Principal of the College at Henley since its inception. To recapitulate, the special character and content of the training programme at the College are based on five major postulates. These are : *first*, there are common problems which all administrators have to face in whatever field they work; *second*, the duties of administrators in both the public and private sectors are becoming increasingly complex and diverse; *third*, the exact role which each type of administrator has to play in relation to others engaged in his own field and in other fields and in relation to the public interest requires a continuous review and appraisal; *fourth*, the growing complexity of objectives and organisations in the highly diversified democratic society of today requires for its study a method which is flexible and thought-provoking rather than dogmatic; and *fifth*, the method of study must seek to evoke qualities and skills which are required in men or women who as a consequence of their experience and abilities are likely to be called upon to exercise an influential role in the future development of their concerns.

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## THE RAILWAY RATES TRIBUNAL

*Amba Prasad*

THE Administrative Tribunals in India have, during the last two decades, grown both in number and coverage. Their main object is to provide cheap and quick means of dispensing administrative justice to citizens, ensuring all the same a continuous and stable flow of governmental activities. The Indian Railway Rates Tribunal, which was first set up in April 1949 to settle disputes in regard to railway freight rates between the railways and their users, is an institution of its kind, having both advisory and mandatory jurisdiction.

The composition and the powers of the Railway Rates Tribunal have been recently modified by an amendment of the Indian Railways Act. The exclusive legal character of the Tribunal has been altered to include members with experience of industry, business and railways. The jurisdiction of the Tribunal has simultaneously been considerably curtailed—a development which is likely to reduce its utility a good deal. These important changes in the organisation and functions of the Tribunal are examined in this article in the context of the evolution of a suitable machinery for redress of complaints about the railway freights and charges. The object of this survey, based on a first-hand study by the writer of the available documentary material on the subject, is to highlight the importance of the reorientation of the Government's policy in regard to the role and functions of Administrative Tribunals for protecting the interests both of the State and individual citizens and also to outline certain principles of procedure on the basis of Indian and foreign experience for the future use of the Tribunal. It need hardly be added that Government's policy should be based on an extensive, and at the same time detailed, study of the working of Administrative Tribunals in India.

The origins of the Indian Railway Rates Tribunal go back to the early nineties of the last century. Though, even as early as 1854, the Railway and Canal Traffic Act of England provided for protection against abuse of its monopolistic powers by the railways and the subsequent Acts of 1873, 1884 and 1888 provided for the creation of machinery to determine complaints of undue preference, and reasonableness of rates *per se*; it was not before 1890, however, that Indian railways were brought under a statutory obligation to treat all consumers alike and to provide for some machinery to hear and dispose



of complaints. But the Indian Railways Act 1890 departed substantially from the British legislation. Unlike the British machinery, the machinery proposed for India was neither permanent nor mandatory; nor had it jurisdiction wide enough to include reasonableness of rates *per se*.

The Act of 1890 provided for the setting up of an *ad hoc* Railway Commission, consisting of one Law Commissioner and two lay Commissioners, to hear complaints only about traffic facilities and un-reasonableness or otherwise of rates. The Commission was to take cognizance of such cases as might be referred to them by the Governor-General-in-Council. No better comment can be made on the machinery proposed in the Act than to mention the fact that the Commission was never set up, even though provision for it continued to exist on the statute book up to 1937.

There was criticism of the kind of machinery proposed in the Act by railway experts like Thomas Robertson and by the public generally who strongly urged that an expert committee should consider the whole question of its revision. The Acworth Committee of 1920-21, which considered, among others, this matter also, recommended the creation of a Railway Rates Tribunal, as proposed in Part III of the British Railways Act, 1921.

It was to consist of an experienced lawyer as chairman and two members, one representing the railways and the other the commercial interests; with power, in any case deemed of sufficient importance, to co-opt two additional members, drawn similarly. The jurisdiction of the Tribunal was to embrace (1) all questions of reasonableness of rates, even within the contractual maxima and minima, and (2) complaints in regard to unreasonableness of rates and inadequacy of facilities. The Committee also recommended that the adverse opinion of the Government of India on any application should not stand in the way of its consideration by the Tribunal.

The Railway Board did not, however, accept the recommendations of the Acworth Committee; it was opposed, in principle, to the control over rates by a tribunal and favoured the establishment of an advisory, investigating committee. The Railway Rates Advisory Committee which was set up in 1926 had the form of Rates Tribunal recommended by the Acworth Committee but it had none of its substance. The Committee was the creation of the executive arm of the Government and its functions were purely advisory in nature; the Tribunal would have been a statutory, mandatory body whose decisions were final and binding on all. The Committee could take notice only of such complaints as would be referred to it by

Government; the Tribunal could receive complaints directly. Furthermore, the Committee was to deal with certain types of complaints of undue preference and un-reasonableness of rates; the classification of goods as such was outside its purview.

A brief review here, of the actual working of the Rates Advisory Committee during the two decades of its life, from 1926 to 1947, would provide instructive background for the functioning of Railway Rates Tribunal which succeeded it. The *first* notable fact is the small number of applications received. Only three applications were received on the average every year. This was not due to any dearth of complaints, it was due to a lack of confidence in the Committee and the prohibitive cost involved. The loss of the prestige and confidence by the Committee was the result of the misuse by the Government of its powers over the Committee. The Government freely exercised its right to withhold applications from the Committee; it actually withheld 57% of the total applications received during the period 1926-27.

*Secondly*, the Railway Board tended to become the final judge not only of law but also of fact and findings. As the Wedgwood Committee, 1937, also pointed out, the procedure, from the stage of the receipt of the application to the stage of its final disposal, was so designed that the Committee came too much under the influence of the Railway Board.<sup>1</sup> It was up to the Board whether to accept findings of the Committee fully or partly, or to reject them. The Committee gave their decision in 45 cases in all. Of these, 34 decisions were accepted *in toto*. The Board rejected the findings in two cases, partially modified them in five others, and accepted them conditionally in three cases.

In the *third* place, each case took too long—on the average 488 days—to be disposed of. The result of the protracted delay in obtaining relief was that some firms had to close down. As an example may be cited Calcutta Oil Mills; many of them had to go out of existence owing to the unfair competition with U.P. Oil Mills.<sup>2</sup> The ultimate findings of the Rates Committee, though favourable to the Calcutta Mills, came too late to benefit them. Added to the factor of delay, was the enormous cost to the parties. The railways were spending on the average Rs. 72,812 per case and if the private trader wanted to win his case, he too might have to spend an equal sum. The public was greatly dissatisfied, as is clear from the

1. *Wedgwood Enquiry Committee Report* (1937), para 133.

2. Letter of Bengal National Chamber of Commerce to the Railway Board, dated the 28th December, 1940, *Report of the Chamber*, 1940, p. 148.

memoranda submitted to the President of the Railway Rates Advisory Committee in 1931<sup>3</sup> and President's own criticism.<sup>4</sup>

The findings of the Committee, on the whole, show the large extent to which the rates were unreasonable. 51% of the cases brought up, leaving aside the cases withdrawn or compromised, were decided in favour and only 24% against the applicants. The cases compromised or withdrawn constituted 26% of the total, of this about half were withdrawn by the applicants of their own accord, leaving only 13% of the cases actually compromised.<sup>5</sup>

The above conclusions, drawn by the writer, on the basis of factual data, are at variance with the opinion expressed by the Railway Freight Structure Enquiry Committee, 1955-57 (Mudaliar Committee). The latter observed that "its (Rates Advisory Committee's) recommendations were accepted by Government except in very rare cases. It showed a high degree of competence and there was no complaint or grievance that the decisions of the Committee were, in any way, faulty or that these decisions were not marked by a correct appreciation of the situation or that the proceedings were dilatory in character."<sup>6</sup> Apparently these laudable observations were made without any first-hand investigation and were prompted more by a tendency to idealize an advisory committee as against a mandatory Tribunal.

## II

Considering the growing public dissatisfaction with the working of the Railway Rates Advisory Committee, the Government brought up a Bill in 1948 before the Constituent Assembly (Legislative) for the setting up of a Railway Rates Tribunal. The Tribunal, as constituted in 1949, under the new law, consisted of three members, one President and two members, *all* of whom were persons qualified to be appointed as judges of the High Court. In the composition of the Tribunal thus more than usual weight was given to the legal element; in that respect there was a difference between it and similar bodies in U.K., U.S.A., and Canada. Whereas the Indian law required all the members of the Tribunal to possess judicial experience, the British

3. *Memo received in connection with the amendment of the Indian Railways Act 1890, (1931)* by the Railway Rates Advisory Committee.

4. *Recommendations of the President of the R.R.A.C. 1931*, pp. 17-21 and 45.

5. The exact position was as follows:

For the Applicant	Against the Applicant	Partly for and Partly against	Compromised and withdrawn	Not considered
23	11	11	17	2
6. <i>Report of the Freight Structure Enquiry Committee, 1955-57</i> (Mudaliar Committee), Vol. I, Pt. I, para. 282.				

Tribunal consists of a lawyer President and two other members possessing commercial and railway experience. Further, two panel members are associated with the British Tribunal as additional members; the decision of the Tribunal is by the majority of members both regular and additional. In the case of the Indian Tribunal, the panel members had an advisory capacity, though four of them might be so associated. The Canadian Board of Transport Commissioners has generally consisted of six members, of whom the Chief Commissioner and Assistant Chief Commissioner have been men with legal qualifications. No statutory qualifications have been prescribed for other four members, who have actually been non-legal persons. The object behind these arrangements in Canada is to facilitate two simultaneous sittings of the Board, with three members each and with a legal chairman for each. Both lawyers and businessmen have served on the Inter-State Commerce Commission of U.S.A., which consists of eleven members; the number of persons with railway experience has been negligibly small.

In support of this departure in favour of the legal qualifications from the usual practice elsewhere, a number of arguments were advanced on the floor of the Constituent Assembly (Legislative) in 1948 when the proposal came up for discussion. It was considered undesirable, in the first place, to have a person experienced in commercial affairs and another experienced in railway administration because the decision of the Tribunal would then be influenced by persons who were habitually biased in support of certain points of view. Further, as there was to be only one member to represent the commercial interests, it was difficult to get a man who might be expert in every trade and industry; if he were an expert on jute, for instance, he might not be competent to deal with textile cases. Another reason given was that in a tribunal of this type all the three members would have to be present on all occasions, no matter whether the complaints dealt with related to major issues or to minor details. The present composition, on the other hand, enabled the disposal of cases by Single-Member Bench as well. The Act provided that where, in the opinion of the President of the Tribunal, any matter *prima facie* appeared to involve a question of principle, it will be decided by the Full Bench, and all other matters will be decided by the Single Bench, unless the President, in his discretion, may direct otherwise. And where a Single Member after hearing any matter considered that it involved a question of principle, he will refer the matter to the President who will direct that the matter be decided by the Full Bench.

The actual experience of the working of the Tribunal has shown that the advantage of expeditious disposal of cases was hardly realized

in actual practice; the Tribunal, all the same, had the disadvantage of the lack of further knowledge and experience of railway working and of business and industry. The Tribunal adopted mostly the procedure followed by Railway Rates Advisory Committee. The result was dilatoriness in the disposal of cases. During the period 1951-54, the Tribunal gave decision in 11 cases; and the average time taken for a case was 11 months, though one case dragged on for a year and eight months. On the other hand, the average time taken per case by the British Transport Tribunal, during 1949-50, was three months; and by the Inter-State Commerce Commission of U.S.A., during 1952, was  $4\frac{1}{2}$  months. The disposal time taken by the Indian Tribunal was excessive and the Tribunal itself admits that it should not be more than six months.<sup>7</sup> At the same time, the expenses to the complainants went up from Rs. 10,000 to Rs. 20,000 per case. This was largely on account of the parties engaging the best legal talent for presenting the case and the high fees charged by such lawyers.

In view of the above, the revision of the constitution of the Tribunal was clearly indicated. Though the commercial and industrial circles were not unanimous in the demand for the revision of its composition,<sup>8</sup> public opinion in general, the expert opinion of the Mudaliar Committee,<sup>9</sup> and Government's own views<sup>10</sup> were in favour of so revising its composition as to adopt the model of the British Transport Tribunal—a judicial Chairman and two other permanent members chosen from industry, business or railways. The Mudaliar Committee said "Whatever might have been the apprehension in the minds of the legislature in 1948, we consider that, in the Railway Rates Tribunal, there must be men with knowledge or experience of trade and commerce and that it should not be over-weighted with persons purely of judicial or legal experience".<sup>11</sup>

Section 34 of the Indian Railways Act 1890 was amended by Parliament in December 1957 so as to revise the composition of the Tribunal essentially along the lines of the recommendations of the Mudaliar Committee. It is now to consist of a Chairman, who, at the time of appointment, is or has been judge of Supreme Court and of two other members "who have special knowledge of commercial, industrial or economic conditions of the country or of

7. *Ibid.* Vol. II, Pt. II, p. 812, Evidence of Railway Rates Tribunal.

8. The Federation of Indian Chambers of Commerce and Industry, and Indian Merchants Chamber, Bombay favoured the existing composition with the association of assessors; chambers in Calcutta and Kanpur and some others in South India desired changes in its judicial composition. *Ibid.* Vol. II, Pt. II, pp. 217-227, Evidence of Chambers of Commerce and Industry.

9. *Ibid.* Vol. I, Part I, Para. 286.

10. *Ibid.* Vol. II, Pt. II, p. 809, Evidence of Ministry of Railways.

11. *Ibid.* Vol. I, Part I, Para. 286,

the commercial working of the railways". They are to be appointed by the Central Government for a period, not exceeding five years, and shall be ineligible for re-appointment.<sup>12</sup>

The debate in Parliament on the matter showed that most of the members who spoke welcomed the change; they hoped that it would lead to expeditious disposal of cases and to the avoidance of too legalistic an approach.<sup>13</sup>

The Tribunal, as constituted under the 1948 law, was assisted in its investigations by assessors, appointed by the Central Government. The assessors were grouped in two panels: (1) the trade, industry and agriculture panel and (2) the railway panel. The first panel consisted of not more than sixty persons, one-third representing trade, industry and agriculture each, chosen after consultation with trade associations. The railway panel was to consist of not more than thirty persons with railway experience. The tenure of the assessors was two years, with provision for re-appointment on the expiry of the term.

The assessors did not take part in the discussions of the Tribunal; they gave their opinion immediately on the conclusion of arguments and the Tribunal would reserve the judgement. It is rather interesting to note that there has not been a single case where an assessor chosen was objected to by any of the parties and the Tribunal seems to have attached some weight to their opinions. Out of 33 cases decided by the Tribunal from its inception to March 1956, assessors were called in 20 cases; and the number of cases in which the opinion of assessors was accepted, rejected and partly accepted was 11, 4 and 5 respectively.<sup>14</sup>

However, the Tribunal has itself doubted the usefulness of the system and has expressed the opinion that "the advice of the assessors has been of very little assistance to the Tribunal".<sup>15</sup> The Mudaliar Committee found that there was an overwhelming opinion against the use of assessors and it therefore recommended its abolition.<sup>16</sup> The system has since been abolished by the amending legislation of 1957. Parliament generally favoured the change. It was felt that the purpose for which it was introduced would be better served by the revised

12. The Mudaliar Committee had, however, recommended that they should be eligible for re-appointment and their appointment should be made by the President of India on the recommendations of the Law Minister, the Minister for Industry and Commerce and the Minister for Railways, *Ibid.*, para. 292.

13. Lok Sabha Debates, 5th and 6th December 1957. Only Shri S. C. Samanta did not favour the change.

14. Reply to Unstd. Q. No. 273, *Lok Sabha Debates*, d. 6-3-1956.

15. *Report of the Mudaliar Committee*, op. cit., Vol. II, Pt. II, p. 813. Evidence of the Tribunal.

16. *Ibid.* Vol. I, Pt. I. Para. 291.

constitution of the Tribunal. In view of the changed composition of the Tribunal the abolition of the system of assessors is amply justified, though in England they still cling to the use of assessors in their Transport Tribunal.

### III

The jurisdiction of the Tribunal, under the amending legislation of 1948, extended to (1) complaints relating to undue preference or to unreasonable rates or to unreasonable charges (excluding the terminal charges) or to rates which become unreasonable by reason of any condition attached to them regarding minimum weight, packing, assumption of risk or any other matter; and (2) to complaints about the unreasonable placing of a commodity in a high class and about the refusal of the Railway Administration to quote a new station-to-station rate. The Tribunal had the power to fix a new station-to-station rate in case of complaints of the latter category. The jurisdiction thus covered a wide area of possible grounds of complaints, mostly the heads dealt with by the Railway Rates Advisory Committee which was being replaced by the Tribunal. Several matters, however, were excluded from its jurisdiction. Important among these were : (1) changes in the level of class rates and schedule rates; (2) classification of any commodity which had not been classified before. The Tribunal, however, had the power to classify any commodity in a higher class. That is, the Railway Board could not reclassify a commodity in a higher class without the approval of the Tribunal, though this power could not be exercised except on the application of the Central Government. Moreover, the Tribunal shared with the Central Government the power to reclassify a commodity in a lower class; (3) questions relating to scales of charges levied by a railway administration for the carriage of passengers and their luggage, parcels, etc., except on a reference made to the Tribunal by the Central Government; and (4) terminal charges.

At the time of the consideration of the amendment of the Indian Railways Act in 1948, there existed an overwhelming opinion in the country for the conferment, on the Tribunal, of an extensive jurisdiction. The President of the Railway Rates Advisory Committee supported the plea of the various Chambers of Commerce in respect of a wider jurisdiction. It was pointed out that the jurisdiction of the parallel bodies in England, U.S.A. and Canada was much wider than what was proposed for the Indian Railway Rates Tribunal. The British Transport Act 1947 had conferred on the British Transport Tribunal power to refuse or confirm or modify any charges

scheme, including freights, other charges and passenger fares, levied by the Transport Commission.<sup>17</sup>

The subject of jurisdiction has raised a good deal of controversy recently. An analysis of opinion expressed as evidence before the Mudaliar Committee and as revealed in Parliament in the course of discussion on the Indian Railways (Amendment) Bill, 1957, shows a deep disagreement on the question of jurisdiction and powers. The Railway Rates Tribunal,<sup>18</sup> certain chambers of commerce and industry,<sup>19</sup> and a number of university professors<sup>20</sup> favoured an extension of the jurisdiction of the Tribunal, though there were differences as to the directions and the extent of extension. The Mudaliar Committee, in spite of overwhelming opinion to the contrary, was opposed to any extension; it even recommended some diminution.<sup>21</sup> The Tribunal, the Committee recommended, may be deprived of its mandatory power in respect of complaints falling under section 41 (e) of the Act viz., complaints that a railway administration has unreasonably placed a commodity in a higher class. "Instead the Tribunal may be conferred certain advisory jurisdiction in this regard", said the Committee. Following generally the recommendations of the Committee, the recent legislation has reduced the jurisdiction and powers of the Tribunal.

The jurisdiction has now been limited to the adjudication of complaints of unreasonableness of rates between two stations and unreasonableness of any other charge. The Tribunal may fix any rate or charge it considers reasonable in respect of the complaint, provided it is within the limits of the maximum and minimum rates fixed by the Central Government. A new provision relates to the revision of orders by the Tribunal at the expiry of one year, if circumstances change and if the application is made by the Railway Administration and if the Tribunal thinks it proper to accept the case for revision. This is a useful change, as it loosens the fetters of precedents and makes adjustments possible in the light of further experience.

The jurisdiction of the re-constituted Tribunal will not extend to (a) raising or lowering the level of class rates or other charges, (b) classification or re-classification of any commodity, (c) fixation of wharfage and demurrage charges, (including conditions attached to such charges), (d) scales of charges by a railway administration

17. Sections 76-80 of the British Transport Act 1947.

18. *Mudaliar Committee*, Vol. II, Part II, p. 812. Evidence of Railway Rates Tribunal.

19. *Ibid.*, Vol. II, Part I, pp.217-227. Evidence of Chambers of Commerce and Industry.

20. *Ibid.*, Vol. II, Part II, pp.731-780. Evidence of Universities.

21. *Ibid.*, Vol. I, Pt. I, para. 300.



for the carriage of passengers and their luggage, parcels, military traffic and traffic in railway materials and stores. The Tribunal has, however, been vested with an advisory role in respect of items (b), (c) and (d) above, on a reference from the Central Government.

Thus, the effect of the new legislation will be to take away from the jurisdiction of the Tribunal the power, which it had hitherto enjoyed, to approve the raising of the class of any commodity, and also the power which it had hitherto shared with the Central Government to re-classify a commodity in a lower class. As discussed earlier this change has not been in keeping with the public opinion. In Parliament, though no front-ranking member took part in the discussion, all participants, except one, criticised the reduction in the jurisdiction of the Tribunal.<sup>22</sup>

There may be both political and practical difficulties in extending Tribunal's mandatory jurisdiction in respect of passenger fares and traffic; however, the questions of general level of rates and of classification or re-classification of a commodity must be treated on a different footing. The position now is that, while questions pertaining to unreasonableness of rate between two stations for the movement of a commodity, has been made justifiable, and, likewise, a complaint that the Railway Administration is levying a charge other than a rate which is unreasonable, will be decided by the Tribunal; it has no jurisdiction in respect of the rate-structure as a whole and of the reasonableness of the total railway revenues. It has only an advisory jurisdiction in respect of classification or re-classification of a commodity. All this is likely to stultify the working of the Tribunal; it would cause a good deal of heart-burning among the consumers of railway services. It would have been better if the Tribunal had been given advisory jurisdiction in respect of the general level of rates and mandatory jurisdiction in regard to classification or re-classification of a commodity.

Foreign experience and recent trends have been in favour of extended jurisdiction. The British Transport Tribunal's jurisdiction and powers under the British Transport Act of 1957 have been retained in the recent Transport Act of 1953. The Tribunal has, in actual practice, made effective use of this power. The draft charges scheme submitted by the British Transport Commission in March 1955, was referred to the Tribunal for approval and the Tribunal "considerably amended it". In U.S.A., it has been left to the discretion of the Inter-State

22. All criticised the diminution with the sole exception of one member—Shri Jagannath Rao ; *Lok Sabha Debates*, 6th and 6th Dec. '57.

23. *Modern Transport*, (London), February, 1957, p. 2.

Commerce Commission to determine the constituent elements of a just and reasonable rate, which may be freight rate or passenger fare.<sup>24</sup> In Canada, the freight classification and rates and fares are subject to the approval of the Board of Transport Commissioners.

In defence of the exclusion of the jurisdiction of the Tribunal over the general level of rate and the determination of a rate-structure, two main arguments have been advanced. First, that parliamentary control of state-owned and departmentally-managed railways is always there; that the rate and fares are subject to the "glare of a regular and detailed parliamentary scrutiny",<sup>25</sup> and that the Parliament cannot divest itself of this control by delegating it to a Tribunal. Secondly, the Railway Administration should have unfettered power over the rate structure in view of the dynamic nature of India's developing economy.<sup>26</sup>

It is true that the general level of rates and the question of total revenue are matters of policy which properly lie in the domain of Parliament. But, while a general control of policy by the Parliament is healthy and desirable, it is equally necessary that the rate structure or the rates and charges scheme, which is prepared by the Railway Board, be examined by a body like the Rates Tribunal for advisory opinion, before it is submitted to Parliament. Parliament is not an expert body, and the report of the Tribunal on the scheme, would enable Parliament to judge it critically, thoroughly, and in the light of other possible alternatives. If the Railway Minister gives the railway administration increased rates whenever it is in difficulty, without having the opinion of an independent, expert and impartial body, there is every danger that an inefficient and uneconomical administration may flourish. As mentioned earlier, the British Transport Tribunal is empowered to approve or reject the general rate and charges scheme; in the case of India, only an advisory role is suggested here, in view of the fact that the Railways are managed and operated directly by the Government in our country. In fact, the Tribunal can enlighten Parliament a good deal whether the principles laid down by it have been carried out by the Railway Board or not in drawing up their rates scheme. But parliamentary control in itself is inadequate, and can sometimes be perfunctory as was more than clear from the two-day debate on the Railway Bill in December 1957. The debate is remarkable for showing how Parliament can take even serious things so lightly.

24. Sharfman, *The Inter-State Commerce Commission*, pp. 362-363.

25. *Mudaliar Committee Report*, Vol. I, Pt. I, para 296.

26. *Ibid*, para 298.

In regard to the power of Tribunal over the classification or re-classification of a commodity, the Mudaliar Committee contended that in the context of dynamically changing situation in India, the Government should retain to itself powers of classification. It observed: "Several commodities are appearing in the market, which have not been classified hitherto, and as the country advances in its goal of industrialisation, there may be so great a shift in the importance of a number of commodities that consequent changes in the classification, either upwards or downwards, will become necessary".<sup>27</sup> The changing economic situation and the expansion of public sector of industry are accepted facts but private sector is apprehensive that government owned concerns might use their special position to have the rates fixed in favour of the public sector. A safeguard which is effective and which also commands public confidence is therefore essential. It is not right to assume that the only avenue for the safeguard of public interest is that of ministerial responsibility. Moreover, the disputes about the classification or reclassification of a commodity are of a quasi-judicial character. The Mudaliar Committee suggested that the representatives of interests affected in Parliament might raise the matter with the Ministry. That will, however, amount to parliamentary interference in details of rate making by an interested group and will hardly be an effective safeguard. An administrative tribunal, like the Railway Rates Tribunal, with its expertise and with semi-judicial methods and procedure of working, can thus protect public interest in this respect more adequately.

The past experience points to the justification of giving mandatory jurisdiction to the Tribunal in the matter. Five applications were filed, during 1950-55, for re-classification of commodities to a higher class by the Railway Board. Of these, three were allowed, one was rejected and another was withdrawn.<sup>28</sup> The fact, that one application was dismissed and another was withdrawn, underlines the importance of the retention of the provision in regard to Tribunal's prior approval before the classification of a commodity is altered. The private sector will then not be able to complain—justifiably or unjustifiably—that the classification was altered to suit the public sector at the cost of the private sector. It seems therefore that a good case exists for extending the jurisdiction of the Tribunal to questions of classification or re-classification of a commodity.

27. *Mudaliar Committee Report*, para 302.

28. *Ibid.*, Vol. II, Pt. II, p. 812, Evidence of the Railway Rates Tribunal.

## IV

The Railway Rates Tribunal is essentially an administrative-cum-business Tribunal; its procedure and methods of work should be so devised as to secure cheap and speedy justice, not only to the parties to the dispute but to all concerned. As the new Tribunal is soon going to be constituted and will get an opportunity to draw up its revised rules of procedure, it would be appropriate to outline the main principles which should govern the procedure of an administrative tribunal.

First, the Tribunal should, in giving its decisions, keep in view the interests of the general public and other parties who are not directly involved in the dispute but who would nevertheless like to be heard. The Tribunal has so far not shown a positive awareness that it has to keep in view the interests of the community as a whole,<sup>29</sup> though the party or parties affected are given a hearing as "interveners".

Secondly, precedents should play only a minor role in the decisions of the Tribunal. It is true that the Tribunal has held in one case that "it is not bound to abide by something that has been previously decided. On a more comprehensive record, they may arrive at a different decision"<sup>30</sup>. But one would like the Tribunal to observe it as a well-established rule that precedents should not fetter the hands of justice and equity. The Inter-State Commerce Commission in U.S.A. "has subordinated the certainty and stability that might flow from rigid rules and unvarying principles to the demands of just and reasonable performance, as moulded by enlightened experience and informed judgement."<sup>31</sup>

Thirdly, the Tribunal should, as a matter of public policy, attempt informal settlement by bringing about compromises between the parties, before attempting a legal and formal settlement. In U.S.A. and Canada, a very large number of cases are compromised that way. In Canada the number of applications disposed of informally range from 88 percent to 96 percent of the total.<sup>32</sup> The Railway Board, as also the Mudaliar Committee, have commended the procedure of the Inter-State Commerce Commission which has, what are called, 'informal dockets'. The basic principle is that the "Tribunal on

29. Occasionally one comes across such a remark as made by Shri Subramanyam in one case : "in regard to products of Agriculture, the welfare of the farmer and the protection of the public interest, should be taken into account in fixing the place of the commodities in the rates structure. *Bajrang Jute Mills Ltd., v. Eastern Railway and others*, R.R.T. (1954) ; per Subramanyam.

30. *Bajrang Jute Mills Ltd. Ibid.*, per Lokur.

31. Sharfman, *the Inter-State Commerce Commission*, Vol. II, p. 368.

32. Currie, A. W. "The Boards of Transport Commissioners as An Administrative Body", in *Canadian Journal of Economics and Political Science* ; V. II, 1945, p. 348.

receipt of an informal complaint, bring the parties together in its presence and see if the matter cannot be settled by a better understanding of each other's point that will result. If such a settlement cannot be reached, the case can then be transferred to the 'formal dockets'. Though the Mudaliar Committee had recommended a statutory provision for such a procedure, the amending legislation has not included such a provision, presumably because such a system can be introduced by the Tribunal itself by revising the rules of procedure.

Other directions in which procedural improvements can be effected, but to which only a reference can be made here, are : (1) a limit should be placed on the time to be taken by parties in preparing their briefs and this limit should be strictly adhered to; (2) written evidence may be encouraged in certain cases in preference to oral evidence; (3) rules should be so devised as to reduce to the minimum the occasions for lawyer's appearance, and if an appellant did not employ a lawyer, the railway administration should not be permitted legal representation in that case.

## V

The experience of India with the working of the Railway Rates Tribunal during the last ten years or so, on the whole, points towards its usefulness. The Tribunal was able to secure justice in a number of cases. During the years 1949-55, the Tribunal dealt with a total of 22 complaints. Relief was granted by the Tribunal to the parties in 9 cases, 6 cases were dismissed, and six were withdrawn and one was pending. The fact that the relief cases amounted to 60% of the total, excluding those withdrawn, underlines the need for the continuance of the work of the Tribunal; it also throws light on the extent of the genuineness of the grievances of the consumers. The Tribunal has also built up, as a result of the judgements, a body of principles in regard to the determination of railway rates, for the benefit of both the private industry and railway administration.

The working of the Tribunal has also shown defects in its composition, jurisdiction and procedure; these were brought to the notice of the Government by the public from time to time and were the subject of an enquiry by the Mudaliar Committee which reported in 1957. The recent railway legislation based on the Report, has remedied the defects of composition and removed certain anomalies but it has not made its jurisdiction wide enough, nor has it made it independent enough, to inspire public confidence. The

preceding discussion has, in a modest way, underlined the principle that, in a vital public utility undertaking, with state monopoly, it is legitimate, despite the existence of Parliament, that clashes between the public and private interest be subject to an independent process of adjudication and that it should be possible that administrations need not always, even if they think it important, have their own way.



The senior civil servants will confer freely with the Minister (unless, as rarely happens, he is unwilling to listen), and to the best of their ability place the facts before him and give such advice as they think right and proper. To discourage honest official advice—whether in national or local government—is both foolish and harmful. Advisers who are mere yes-men playing up to the Minister in the hope of advancement are just as dangerous as are obstinate and obstructive no-men. Both types are bad. Both sides to an argument should be heard and considered. At the end of the discussion it is for the Minister to come to such conclusions and give such directions as he thinks appropriate. It is then the duty of the civil servants to carry out the ministerial decision, doing their best to ensure the success of the Minister's policy, whether they have advised its adoption or not.

—HERBERT MORRISON  
(In "Government and Parliament")

## EDITORIAL NOTES

This editorial is, for the present Editor, also a personal note of farewell.

In all spheres of organised human activity, it is of great importance that institutions should have a vitality of their own, and not depend on the personalities concerned with their management from time to time. This *Journal* has now grown to its full stature as an institution which makes a worth-while contribution to the cause it stands for, viz., the study and improvement in Public Administration. On leaving India to take up an assignment abroad the present Editor has to pass on to others the honour and pleasure of steering the *Journal* on its future career, and he does so with the knowledge and satisfaction that better and more capable hands than his are available to take over the helm.

Such success as the *Journal* has achieved would not have been possible but for the unstinted and yeoman assistance received by the Editor from his Assistant, Shri B.S. Narula and other staff. In the conduct of the *Journal's* affairs both on the editorial and the managerial side, full opportunity has been taken to put into practice the principles of maximum decentralisation and delegation; this would not have been possible if the organisation did not have the services of persons like Shri Narula and Shri R.G. Mulgund—men of initiative, who are willing to accept responsibility and thrive and grow by exercising it.

—S.B. Bapat

## RECENT TRENDS IN PUBLIC ADMINISTRATION IN INDIA

### Recruitment and Services Organisation

The trend towards the liberalization of recruitment rules and simplification of procedures, a reference to which was made in the last issue, has continued. An important development, which indeed constitutes a landmark in the public employment policy of the Government, was the enactment of Public Employment (Requirement as to Residence) Act, 1957. This Act does away with domicile restrictions in regard to public appointments, which were in vogue in States. The reform was first recommended by the States Reorganisation Commission in 1955 and is directed towards strengthening the administrative unity of the country by ensuring real equality of opportunity to all citizens in matters of employment. Another similar reform, recommended initially also by the States Reorganisation Commission, relates to the recruitment of a proportion of High Court Judges in each State from outside the State. The Eastern Zonal Council, at its second meeting held at Patna on January 23, accepted in principle the desirability of recruiting one-third of the strength of the High Court Judges from other States. Following the second emergency recruitment to the I.A.S., the Central Government has formulated the I.P.S. Special Recruitment Scheme, to recruit 50 police officers drawn from States with a qualifying six years' service as D.S.P. The recruitment of Lower Division Clerks through an open competitive examination is being resumed after about 10 years.

There has also been some specific emphasis on preventing the operation of influence and patronage in the matter of recruitment to public services. In *Mysore*, under a recent amendment to the Mysore Government Servants Conduct Rules, 1957, senior officers of the State services have been required to obtain government's permission in regard to the employment of their near relatives in firms enjoying Government patronage. The *Mysore* State Civil Services General Recruitment Rules, 1957, provide, that all appointments to the State Civil Services, through the competitive examination will be made *in the order of merit* as recommended by the State Public Service Commission. (In the past, similar provisions have generally been made in rules relating to a specific service and not in civil services general recruitment rules.) In *U.P.*, the State Government has issued instructions that, when making recruitment, if the appointee happens to be a near relative of a Member of the State Government, the appointing authority should ascertain that he (the Member of Government) has no objection to the proposed appointment. It has further been laid down that the information regarding the proposed appointment should also be given to the Minister in charge of the Department in which the appointment is being made. Initial recruitment made on the recommendation of the State Public Service Commission, however, does not come within the purview of the instructions.

The decision of the Union Government to set up two new, separate all-India cadres—an Economic Service and a Statistical Service—represents a further step in the effort to reshape the structure of civil services to meet



the requirements of the fast growing economic activities of the Government. A Committee has been appointed, with the Cabinet Secretary as the Chairman, to draw up the blue-prints of the proposed cadres which will be administered by the Ministry of Home Affairs. To begin with, the two services will cover only central government posts requiring knowledge of economics or statistics,—as the case may be. It is proposed, later, to extend the scheme to selected State posts on request. Provision will also be made for short-term secondment, from and to these Services, of qualified personnel from universities and other similar institutions.

## II. Manpower Planning and Training

The most important development in this field during the quarter was the announcement, by the Prime Minister, of the scientific policy of the Government of India. The Government resolution on the subject, which has been hailed as the 'Scientific Charter', describes the aims of the new scientific policy *inter alia* as follows :

"To foster, promote and sustain by all appropriate means, the cultivation of science, and scientific research in all its aspects pure, applied and educational.....  
To encourage and initiate, with all possible speed, programmes for the training of scientific and technical personnel, on a scale adequate to fulfil the country's needs in science and education, agriculture and industry, and defence".

The Government resolution further states that "The Government of India has decided to pursue and accomplish these aims by offering good conditions of service to scientists and according them an honoured position, by associating scientists with the formulation of policies, and by taking such other measures as may be deemed necessary from time to time".

Manpower studies undertaken by the Central and State Governments have made further progress. These studies aim primarily at assessing the manpower requirements during the Third Plan so that suitable measures for expanding training facilities and programmes are taken in time. The State Governments of *Madhya Pradesh* and *Orissa* have completed studies of their manpower position in the context of the Second Plan. A similar study has been made by the *Uttar Pradesh* Government and the report is expected to be out shortly. That Government has entrusted the Planning Sub-Committee of the Cabinet with the work of man-power planning in the State. The Development Commissioner has been designated as the State Manpower Officer and the Planning Department will be the co-ordinating agency for the work.

*Madras, Andhra and Kerala*, the three States in the Southern Zone, have set up working groups to study their manpower position for the Second Plan and make assessment of their requirements for the Third Plan. These groups will concentrate attention on : (1) engineering personnel, including craftsmen; (2) health personnel; (3) educational personnel; and (4) agricultural and allied personnel.

States in the Northern Zone—*Jammu & Kashmir, Punjab and Rajasthan*—have also decided to take similar steps in pursuance of the recommendations of the Officers' Committee on Man-power of the Northern Zonal Council

which met at Chandigarh on March 2. The Committee also reviewed the progress made in regard to the deputation of trained personnel and the grant of technical and professional training facilities by one State to another.

The Eastern Zonal Council has set up a committee to examine the question of man-power planning in the region; it has also recommended the formation of a police reserve force and the development of electric power jointly by the States of the Eastern Zone.

Assam Government has also made a preliminary study.

The Union Ministry of Steel, Mines and Fuel has carried out a survey of the requirements of engineers in the coal mining industry.

The Central Directorate of Manpower is convening a Conference of State Manpower Officers on the 8th and 9th April, 1958.

In the field of training, the trend is towards broadening the training syllabi and the organisation of refresher courses. The Central Government has decided to revise the syllabus for the training of I.A.S. probationers to lay henceforth more emphasis on subjects like Social Welfare and Administration, and to reorganise the training period as follows: the first 8 to 9 months to be spent in the Training School; the next 15 to 16 in practical training in the States; and the last 3 to 4 months in the School again. The I.A.S. Training School at Delhi, and the I.A.S. Staff College, at Simla, are being shifted to Mussoorie shortly. The Department of Company Law Administration, Ministry of Commerce and Industry, in collaboration with the Institute of Cost and Works Accounts, has started a course to train some of their employees in cost accountancy. The course is subsidised by the Ministry; and teaching is looked after by the Institute. The course, which is for a period of 3 to 4 months, covers both theoretical and practical training.

In *Andhra Pradesh*, the State Government has formulated a comprehensive programme of refresher training for all directly recruited and promoted Sub-Inspectors with 4 to 6 years of service in that rank, and for directly recruited Assistant and Deputy Superintendents of Police with 4 years' qualifying service. The trainees will undergo an examination at the end of the course, and the result will be recorded in their personal files or service Books. An advanced refresher course has also been prescribed for Sub-Inspectors selected for promotion as Inspectors. Should a Sub-Inspector fail to secure a minimum of 40% in each subject, or a total of 50% in all subjects put together with not less than 30% in each subject, he will not be included in the promotion list. Similar examinations will also be held for Inspectors selected for promotion to the gazetted rank. The *Bihar* Government has prescribed a 9-month training course in secretariat business for probationary lower division assistants. The course is divided into three phases: (1) four to six weeks' theoretical instruction; (2) six months' practical training in departments; and (3) six weeks in a training class. At the end of the course there will be an examination and the trainees will be allowed, in all, four chances to pass it.

### III. Conditions of Service

With the Second Central Pay Commission actively engaged in finishing its work as early as possible, the tension which prevailed in the lower levels of the services seems to have disappeared somewhat. On the basis of

an interim report by the Pay Commission, the Central Government has granted an increase of Rs. 5 per month, effective from July 1, 1957, in the dearness allowance of all Central Government employees drawing a monthly basic pay not exceeding Rs. 300. An increase of Rs. 2.50 has also been granted, with effect from July 1957, in the dearness allowance of Armed Forces personnel drawing a pay up to Rs. 300 per month. The Pay Commission issued, on January 14, a 78-point questionnaire eliciting views on matters pertaining to its terms of reference, from individuals and organisations apart from Ministries of the Government of India and State Governments. The Commission has sought views, among others, on questions of the application of principle of equal pay for equal work, participation of Government servants in political activities and the disparity between the emoluments of employees of Central Government, State Governments and local bodies. The Central Pay Commission of 1956 thought that its recommendations had to be made within the framework of the then existing socio-economic structure and that any attempt to remove social inequalities should be made directly by the State by measures, such as taxation, that would embrace all classes of citizens. The present Commission has raised the question whether its recommendations should be directed towards remoulding the structure of emoluments and conditions of service of Central Government employees so as to reduce economic inequalities.

Realising the need for special pay incentives for certain positions, the Orissa Government has recently reviewed the rates of special pay. The new rates are : for post of Under Secretary to Secretary, Rs. 150 to Rs. 250 p.m.; for I.A.S. officers appointed as Heads of Departments, Rs. 150 p.m. with provision for a higher rate for very senior I.A.S. Officers; and for certain posts in the I.P.S. cadre, Rs. 100 to Rs. 150.

There has been a rising demand for higher salaries for technical instructing personnel. The Conference of heads of technical institutions, held at New Delhi on March 12-13, recommended that the pay of technical lecturers should be brought at par with that of the corresponding superior services in the technical departments of the Central Government. It deserves to be noted here that on the recommendations made by an expert committee, the Co-ordinating Committee of the All-India Council for Technical Education, has recently approved a detailed scheme for rationalising and upgrading, on an all-India basis, of the salary scales of teachers of technical institutions, so as to attract qualified and experienced personnel to the profession. Different scales have been recommended for institutions functioning at the post-graduate, the first-degree and the diploma levels respectively. A salary of Rs. 2,000-100-2500 (with an additional pay of Rs. 500 in exceptional cases) has been suggested for Director-Principal of a post-graduate institution; the scale of Rs. 1,300-60-1,600-100-1,800 for heads of the first-degree institutions; and of Rs. 800-50-1,250 for heads of the diploma institutions. Adjustments have also been suggested in order to equate the posts in engineering colleges and polytechnics with the posts in the appropriate public works departments.

The Central Government has recently stepped up its activities in the field of employees' welfare. A Welfare Officer of the rank of Under Secretary has been appointed in each Central Ministry to look after the welfare of Class II, III and IV employees numbering more than 16 lakhs. Recently, a Chief Welfare Officer, too, has been appointed to co-ordinate

the welfare work undertaken in the Central Ministries/Departments. In U.P., the State Government has decided to relax the rules to allow Government servants, up to 10 per cent. of the strength of any office, to attend academic classes after office hours and to appear privately at academic examinations, without detriment to Government work. The *Mysore* State Civil Services General Recruitment Rules, 1957, recently notified, prescribe that the employing authorities should *ordinarily grant* permission to the State civil servants to apply for any post in a State Civil service unless the grant of such a permission will not be in public interest or will not be consistent with any specific agreement entered into by the applicant with the Government. In *Kerala*, the State Government has decided to grant special casual leave to enable members of the State services to attend courses of instruction organised by recognised all-India associations of sports and games. This concession already existed in regard to participation in sporting events and games of national or international importance.

For effectively combating corrupt practices on the part of government employees, the Union Government has recently amended the criminal law. The definition of "public servant", as given in Section 21 of the Indian Penal Code, has been extended to cover the employees of statutory corporations, Government companies and similar bodies. Such persons will henceforth come under the purview of the Prevention of Corruption Act, 1947 and any other criminal law relating to public servants. A conviction on a charge of criminal misconduct under Section 5 of the Prevention of Corruption Act will henceforth carry a compulsory sentence of *imprisonment for not less than one year*. If, for any special reason, the court wishes to impose imprisonment for less than one year, the reason will have to be recorded in writing. The new Act also provides that in such cases the fine imposed will be commensurate with the proved or presumed illegal gains. The giver of a bribe who gives evidence against the bribe-taker will henceforth be protected from prosecution in respect of the act of giving the bribe. The Administrative Vigilance Division of the Union Ministry of Home Affairs has issued instructions prohibiting Central Government servants from bidding at auctions arranged by their own Ministries or Departments. Any Government servant who does so, would be regarded as indulging in conduct "unbecoming" a Government servant within the meaning of the Conduct Rules.

The Government of *Rajasthan* has amended the Rajasthan Government Servants' and Pensioners' Conduct Rules, 1950, to prohibit State Civil servants from (1) participating in any demonstration or strike in connection with any matter pertaining to their service conditions, and (2) becoming members of any service organisation not recognised by the Government. The *Bihar* Government has also prohibited the State government employees from joining unrecognised service associations.

#### IV. 'O' & 'M'

The drive towards economy continues, though the emphasis has gradually shifted to the re-organisation enquiries and the overhaul of methods of work and procedures. The O.S.D. appointed by the Union Government to enquire into matters of services re-organisation and training, has completed his work in some important respects. The Union Government has set up a committee to suggest simplification of administrative and financial

procedures to expedite the implementation of agricultural production schemes and to recommend a model agricultural organisation in the States, with provision for delegation of suitable powers at the various levels of its hierarchy. The Government has under active consideration a proposal for the decentralisation of expenditure control at present exercised by the Ministry of Finance.

In *Assam*, the State Development Committee has set up a sub-committee to suggest improvements to promote speed in the issue of financial sanctions. The Government of *West Bengal* has re-organised the health services to integrate the curative and preventive sides, and also approved a comprehensive scheme for the rationalisation of health cadres and pay scales. In *Mysore*, an eight-member committee is at present engaged in carrying out a comprehensive examination of the organisation and working of the Public Works Department. The Government of *Punjab* has, for reinforcing the sense of responsibility among the civil services, issued instructions that "where as a result of discussion whether at headquarters or elsewhere with a Minister or touring officers, the executive (officer) concerned considers it necessary to issue instructions to his subordinates, these should take the form of orders from him *without quoting the Minister or Officer concerned*. When the official is doubtful as to whether he can accept such responsibility he should refrain from issuing such instructions and send a brief statement of the case to the Government for the issue of suitable instructions in the matter. The *Punjab* Government has, with the object of avoiding interruption in the disposal of office work, prohibited interviews before 12 noon with ministers and officials by members of the general public. The *Kerala* Government has, as a measure of economy, ordered that all officers who are afforded the facility of using Government transport, like cars, jeeps, vans, station wagons or other type of conveyances, should hereafter use only the Government conveyance for road journeys connected with inspection or tour. If such officers choose to travel in other modes of transport, such as their own cars, they will be considered as having done so not in public interest but only for their own convenience. In *Andhra Pradesh* the State Government has appointed a committee, consisting both of officials and non-officials, to make recommendations for the rationalization of the existing system of land revenue rates and irrigation charges.

At the Centre, a new department of "Defence Research and Development" has been set up to integrate scientific and military thinking in defence matters and to increase the tempo, scope and usefulness of scientific research in defence. The Union Government has decided to establish a separate Extension Wing in the Ministry of Food and Agriculture for purposes of securing fuller attention to the problems of increasing agricultural production. The Government of India has also decided to establish an Atomic Energy Commission, with necessary executive and financial powers, modelled, more or less, on the lines of the Railway Board. The Commission, which is to consist of full-time as well as part-time members, will have at least three but not more than seven, members with the Secretary, Department of Atomic Energy, as *ex officio* Chairman. It will be responsible for both the formulation and execution of policy of the Department of Atomic Energy and preparation of the Department's budget.

The Department of Company Law Administration has been transferred from the Ministry of Finance to the Ministry of Commerce and

Industry; the administration of stock exchange and insurance regulations, however, continues to vest with the Finance Ministry. The administrative and supervisory control over the New Delhi Municipal Committee and the proposed Delhi Corporation has been transferred from the Union Ministry of Health to the Union Ministry of Home Affairs.

#### V. Local Government and Community Development

The recommendations, made by the Study Team on Community Development and National Extension Service, in regard to democratic decentralisation of local self-government, have aroused considerable interest and attention. In *Andhra Pradesh* and *Madras*, Governments' proposal for reform of the local government follow generally the line of approach advocated by the Study Team, i.e., transfer of power at the development block or panchayat-union level. The Standing Committee of the National Development Council, which met at New Delhi on January 12, accepted in principle the idea of decentralisation of authority to popular bodies below the level of the district; it, however, felt that it was for each State to decide for itself what pattern of democratic decentralised structure was best suited to its conditions, there being no need for any rigid uniformity in the matter between the different parts of the country.

Following the recommendations made by the Balvantray Mehta Study Team, the Government of India proposes to put into operation a revised programme for community development from April 1 this year. The major changes proposed in the revised programme pertain to the transfer of authority to peoples' institutions at and below the district level, merging of the N.E.S. and C.D. stages into a single phase, and the staggering of the programme into the Third Plan. In order to attain a sustained and accelerated tempo of development, it is contemplated that the programme should be implemented in two stages of five years each instead of the existing three phases, viz. N.E.S., C.D. and Post-Intensive. The revised schedule is expected to help in overcoming the present shortage of trained basic and supervisory personnel and also to tone up the general working of the programme by avoiding recruitment of workers of marginal calibre and qualifications.

In *Orissa*, the State Government has revised the constitution of Block Advisory Committees. The object is to make these Committees fully representative of the rural people. The changes proposed are : (1) The Sub-divisional Officer to be made the Chairman of the Committee, and officers of the sub-divisional level instead of the district level to be the members; (2) the election of the vice-chairman from amongst the non-official members of the Committee; and (3) ministers and deputy ministers of the Central and State Governments, who are normally not able to attend the meetings of the Committees, to be replaced by prominent non-officials to be nominated in consultation with them. The State Government has also set up a Consultative Committee for Community Development, consisting of Ministers, Members of Parliament and the Legislative Assembly.

Recently, all work relating to village panchayats so far handled by the Central Ministry of Health has been transferred to the Ministry of Community Development. The latter Ministry is also considering the administrative set-up which would be necessary to strengthen, expand and also to integrate the village panchayats with the development programme. The question

of actively associating the *Gram Dan* movement with community development programme is also receiving attention. In order to provide encouragement for really meritorious work in the community development programme during 1958-59, the Central Government has formulated a Prize Competition Scheme for village level workers throughout the country. The Competition will be held at four levels, namely, the block, the district, the state and the national level. The Universities of Agra, Nagpur, Aligarh, Viswabhārati, Andhra and Annamalai, have agreed to include the subject of community development in their syllabi for the degree and post-graduate examinations in Economics.

In Kerala, the State Government has sanctioned in, pursuance of the recommendations of an enquiry committee appointed in August last, higher pay scales, retrospective from September 1, 1957, for panchayat employees. All panchayats with annual income of Rs. 5,000 and above will have a Panchayat Officer either of Grade I (Rs. 80-5-120-EB-6-150) or Grade II (Rs. 40-3-55-4-75-EB-5-120). Panchayats with income below Rs. 5,000 per annum will be allowed a Panchayat Assistant in the scale of Rs. 35-3-65-EB-3-80. A minimum basic pay of Rs. 20 plus Rs. 22 dearness allowance has been fixed in case of full-time sweepers and scavengers. A connected but different development relates to an enhancement of the pay-scales of village officers in *Andhra Pradesh*. A village Karnam will get an additional pay of Rs. 5, a village headman, Rs. 3; and a village servant, Rs. 2 per month.

City Government in India is passing through a similar, though less marked, process of re-organisation. A Corporation has been established in the union territory of *Delhi* to replace the *Delhi* (City) Municipal Committee. It consists of 80 councillors with a tenure of four years chosen by direct election by adult suffrage; and of 6 aldermen, a mayor and a deputy mayor to be elected by the councillors. There will be a standing committee of 12 members, one-half retiring every year. The executive powers of the Corporation vest in the Commissioner appointed by the Central Government for a term of four years. Provision has been made to enable the Corporation to consult the U.P.S.C. in the matter of appointments to senior cadres of its services. The functions of the Corporation are similar to those of the Bombay Corporation except for some additions to its discretionary functions intended to enlarge the scope of its social welfare activities. Power has been retained by the Central Government to inspect offices and work of the Corporation, to issue directions and even to supersede the Corporation if found incompetent and inefficient.

In *Andhra Pradesh*, the State Government has asked *Shri C. Narasimhan*, I.A.S., Secretary to Government, Planning and Development Department, and Additional Development Commissioner, to enquire into the working of the Hyderabad Municipal Corporation, its offices, institutions and works. Proposals for the re-organisation of the Madras City Corporation were announced by the State Government in a White Paper sometime ago.

The recent emphasis on co-operative movement seems to be directed, among others, towards strengthening the training programmes. *Sir Malcolm Darling*, Colombo Plan Consultant to the Planning Commission, has recommended that the recruits to the Indian Administrative and Agricultural Services should be given a short special training course of two or three

weeks' duration in 'co-operation'. He has further suggested that new recruits should be sent to the field for preliminary job training before they are placed in a training institution and the Block Development Officers who are to exercise administrative control over co-operative extension officers should be trained in the theory and practice of 'co-operation'.

The importance of better planning and administration of social and welfare services has been specially underlined in recent months. The Conference of State Social Welfare Ministers, held at Madras on December 29, recommended that a social welfare department should be established in each state to look after subjects like the welfare of backward classes, family, women, children, social defence and rehabilitation, and general welfare services. The Conference stressed the need for the establishment of a Central Directorate or a Ministry of Social Welfare in the Union Government to coordinate the activities of the various central Ministries in the field of social welfare. It further recommended the co-ordination of the work of voluntary welfare agencies at the state level, inter-state co-ordination in the fields of social research and training, association of technically-trained and qualified or experienced social workers with the work of social welfare departments at all levels and the restriction of recruitment of personnel at lower levels to trained persons only. The Government of *West Bengal* has opened a separate department for tribal welfare to look after health, education, and development work in tribal areas. A Tribal Council has been set up in *Andhra Pradesh* to advise the Government on welfare and advancement of the Scheduled Tribes. The *Bihar* Government has established an Institute of Social Studies, in memory of the late Dr. A.N. Sinha, to undertake research in social, economic, political and other problems, which require independent and inter-disciplinary study.

## VI. Educational Administration

The Union Government has constituted an All India Council of Elementary Education, consisting of 21 members, with *Shri K.G. Saiyidain*, Educational Adviser to the Government of India, as the Chairman. The main functions of the Council are to advise on and review the programmes for the expansion and improvement of elementary education in each state and to organise, or assist in, research on administrative, financial and pedagogic problems in the field. The Union Ministry of Education has drawn up a comprehensive programme of in-service training seminars to train the teachers in the rural institutes in the techniques of teaching. The seminars will be of three types—local, regional and inter-state. There will be in all about 24 local, 4 regional and 2 inter-state seminars. The object is to facilitate group discussions of problems of a local area or a particular region and to encourage co-ordination between the local agencies and the rural institutes.

In the field of social education, the Central Advisory Board of Education has recommended that both at the Centre and in the States, the entire planning and co-ordination of social education work should be the responsibility of a single department, which should be the Education Department. The Union Ministry of Education has formulated a scheme for extending social education to cities. Under the scheme, co-ordinating councils of social education will be set up by each State Government, directly or



through the university or municipal body, for selected cities. These councils will also provide expert guidance and literature, maintain liaison with each other, and encourage and assist individuals in their contribution to social education. As regards the usefulness of social education, two different and somewhat opposing points of view were expressed at the National Subject-Matter Seminar organised by the Ministry of Community Development in January last. One school felt that social education organisers by trying to impose urban ideas on tribal populations contaminated and destroyed the highly rich tribal culture. Others contended that the purpose of social education was not to graft one culture on another but to create in the tribal people an urge to attain a better and richer life according to their native genius.

A 'pilot' examination unit is being set up at the Centre to conduct experiments in the reform of the present examination system. The objects of these experiments will be (i) to identify and clarify the purposes, and gradually improve the effectiveness of the teaching of the various school subjects; (ii) to suggest adequate learning experiences for different purposes; and (iii) to improve evaluation tools. A team of 10 Evaluation Officers has been deputed for the study of the American examination systems to the Chicago University, for a period of six months.

The State Governments of *Madhya Pradesh* and *Madras* have adopted Hindi and Tamil respectively as the official language. The *Madhya Pradesh* Government has also set up an advisory board on basic education to advise the Government on the conversion of existing primary schools into basic schools, the opening of new primary schools on basic pattern, and training and orientation of teachers in the ideology and methods of basic education. In *Bombay* the State Government has appointed two committees to examine the present position in regard to pre-primary, primary and basic and secondary education in different regions of the state and to advise the Government on the evolution of an integrated but flexible system of education. The Government of *Kerala* has reorganised the Education Department, keeping in view considerations of co-ordination and decentralisation in its working. Under the reorganised set-up, there will be an additional Director of Public Instruction responsible for the efficient administration of primary education, and three directorates, one each for text books and examinations, college education, and technical education.

## VII. State Enterprises

Attention has been increasingly focussed recently on problems of top-management in state enterprises. The Seminar, convened by the Institute on December 20-21 on "Administrative Problems of State Enterprises", recommended *inter alia* that the Boards of Directors should be given a large measure of *de facto* freedom in the management of the enterprise; the Management, through the Managing Director, should have the privilege of direct approach to the Minister in the administrative Ministry; and also that any Financial Adviser on the staff of the enterprise should not be permitted to "jump" the Managing Director, who should be the channel of answerability to the Board of Directors and to Government.

The need for a scientifically sound relationship between the Head of the enterprise and the Minister in charge was further lime-lighted by the report of the Chagla Enquiry Commission. In this respect, Justice Chagla

has enunciated the following basic principles : (1) "Government should not interfere with the working of autonomous statutory corporations; that if they wish to interfere they should not shirk the responsibility of giving directions in writing." (2) "If the executive officers of the corporation are to be appointed from the civil services, it should be impressed upon them that they owe a duty and loyalty to the corporation and that they should not permit themselves to be influenced by senior officials of Government or surrender their judgment to them. If they feel that they are bound to obey the orders of these officials, they must insist on these orders being in writing." (3) "The Minister must take full responsibility for the acts of his subordinates. He cannot be permitted to say that his subordinates did not reflect his policy or acted contrary to his wishes or directions." (4) "In a Parliamentary form of Government, Parliament must be taken into confidence by the Ministers at the earliest stage and all relevant facts and materials must be placed before it. This would avoid difficulties and embarrassment being caused at a later stage when Parliament gets the necessary information from other sources."

The recent policy of the Government, as mentioned in the last issue, seems to be in favour of appointing non-officials as Chairmen of the Boards of Directors.

In the field of transport, the Government of India has set up the Inter-State Transport Commission for purposes of developing, co-ordinating and regulating the operation of transport vehicles in respect of any area or route common to two or more states.

To formulate and co-ordinate the policy regarding adjudication of labour disputes in the public sector (excluding employees not covered by the Industrial Disputes Act), the Government of India has constituted an Inter-departmental Standing Committee. Apart from the Union Ministry of Labour and Employment, the Ministries represented on the Standing Committee are Finance, Defence, Railways, Transport and Communications, Steel, Mines and Fuel, Commerce and Industry, and Home.

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## NEWS FROM ABROAD

### CANADA

#### *A Pay Research Bureau*

The Civil Service Commission of Canada has established a Bureau of Pay Research to provide objective information on pay and working conditions in Government, business, and industry, and to assemble and analyse factual evidence of trends in outside employment. Information upon which the Commission's salary recommendations are based will be centralised in the new Bureau.

### FRANCE

#### *Rise in the Civil Servants' Salaries*

The French Cabinet has agreed to grant to civil servants a series of increases in 1958—partly in the form of housing facilities and partly in the form of salary increases—which will bring their minimum salary from its present level of 200,000 francs to 220,000 francs a year. The new increases will benefit particularly the lower-grade workers and will cost the Government 74,000 million francs.

### NEPAL

#### *A U.N. Public Personnel Administration Expert*

The U.N.T.A.A. has loaned to the Government of Nepal the services of Mr. Walter Fischer, an Austrian national, for one year to advise it in the field of personnel administration, in particular in developing a programme for in-service training.

#### *Planning Board*

The Government of Nepal has set up a high powered Planning Board under the chairmanship of Prince Himalaya Bir Bikram Shah Dev. The Board will advise the Government on the framing of schemes and plans aimed at raising the standard of living of the people.

### PAKISTAN

#### *Training of Civil Servants in United States*

Under a contract with the International Co-operation Administration, the University of South California will shortly commence a special course for training a batch of 15 to 20 higher civil servants from Pakistan in U.S. methods and techniques of public administration. The purpose is to prepare the trainees for assuming higher administrative responsibilities on return to their country.

## SOUTH VIETNAM

*Reorganisation of Administration*

The President of South Vietnam has appointed an 8-member Commission under the chairmanship of Mr. Nguyen-Thanh-Cung, Secretary of State to the Presidency, to make recommendations on the reorganisation of the system of public administration in the country.

## UNITED KINGDOM

*Unattractive Grading in the Hospital Service*

Sir Noel Hall, in his report recently submitted to the U.K. Minister of Health, suggests a reduction in the number of grades of the hospital service to raise the entry-levels of remunerations. His recommendations include the abolition of the existing "lettered" grades and their replacement by a general clerical grade together with a supervising clerical grade, separate grades for both shorthand typists and machine operators, with provision for specialist supervision, and three administrative grades. Recommendations have also been made on promotion procedures and training and for the delegation of specific responsibilities to the hospital secretary.

*Higher Salaries for Members of the Boards of the State Enterprises*

Her Majesty's Government has announced higher scales of pay for members of the nationalised boards "of a commercial character". The maximum salary of the chairman of a major board has been raised from £8,500 to 10,000 and of a board member from £5,000 to £6,500. There are now six chairmen drawing £10,000 a year. This adjustment of the salaries of the boards of nationalised industries has been decided upon by the British Government after making a comparison between the rewards offered at the top in the private industry and in public boards.

## UNITED NATIONS

*Seminar on Human Rights Under Criminal Law and Procedure*

A Seminar on "Protection of Human Rights under Criminal Law and Procedure" was held under the auspices of the United Nations at Baguio (Philippines) from February 17 to March 1. It was attended by representatives from 19 countries of South-East and Pacific Asia and from certain specialised agencies and non-governmental organisations. The main topics discussed at the Seminar were: rights and safeguards protecting the individual against arbitrary or illegal arrest and detention without trial; conditional release prior to and during trial; confessions and admissions—safeguards, administrative and judicial, against improper methods of investigation and inquiry; avoidance of delay in bringing the accused to trial and in concluding trial and appellate processes; the right of the individual to assistance, at the time of trial and at any preliminary proceedings, in matters of legal advice and representation, proof of guilt, and language difficulties; public trial and exceptions thereto; protection of accused persons against trial *in absentia*.

*Expanded Programme of Technical Assistance*

The United Nations General Assembly unanimously adopted a resolution, on December 14, establishing a Special Projects Fund for expanding technical activities of the United Nations and the specialised agencies. The Fund is separate from existing financial resources for technical assistance, and will provide "systematic and sustained assistance in the fields essential to the integrated technical, economic and social development of the less developed countries". The operation of the Special Fund would be directed in the immediate future towards "enlarging the scope of the United Nations programmes of technical assistance so as to include special projects in certain basic fields" to be defined by a 16-member Preparatory Committee which also includes India. The resolution provides that whenever financial resources available to the Fund are considered sufficient, the Assembly may take action to apply a portion of it to capital development projects in less developed areas.

## UNITED STATES

*Pay Increases in Federal Employment*

Pay raises totalling \$25 million annually for 48,000 of the U.S. government's physical scientists and engineers were approved early in December by the Civil Service Commission, as a move to hold and attract critically needed personnel. The increases, ranging from \$135 to \$1,080 went into effect before the end of the year 1957. Of the people affected, 75 per cent are employed by the Department of Defence. The Civil Service Commission has approved a new "direct action" plan to recruit scientists, engineers, and other persons with scarce skills, which will permit recruiters to hire college graduates for specific jobs, and to set starting employment dates, rather than waiting for appointment following examination. Testing and the clearance process are to be streamlined.

## U.S.S.R.

*Reconstitution of Armaments Ministries*

Following the decentralisation of its industrial administration, the Soviet Union has re-organised its four main armaments ministries, viz. aviation, defence, radio techniques and ship-building industries, into state committees subordinate to the Soviet Council of Ministers. The pattern which emerges is that men of very high administrative ability in the technical field are being freed from day-to-day administrative responsibilities to devote themselves to shaping the future of Soviet technical progress.

## INSTITUTE NEWS

### *A U.N. Assignment for Shri Bapat*

The Institute will be losing its Honorary Treasurer and Editor of the *I.J.P.A.*, Shri S.B. Bapat, I.C.S. Shri Bapat is proceeding early in early in May to the United States to take up his new assignment as Director of the Public Administration Division in the United Nations Technical Assistance Administration. Shri Bapat is one of the founders of the Institute, a senior administrator, and till recently Director of O. & M. Division, Cabinet Secretariat, and also of Administrative Vigilance Division, Ministry of Home Affairs. Many of the important civil service reforms of the recent years bear his imprint.

### *Fellowships*

Under the Institute's Fellowships programme, a group of two University teachers was selected in 1955, for study and observation of advanced administrative techniques and practices followed in foreign countries, but they could not proceed abroad due to placement difficulties. One of these university teachers, *Dr. R.B. Das* of Lucknow University, left for the United States on February 5. *Dr. Das* has been placed at the Maxwell Graduate School of Citizenship and Public Affairs, Syracuse University. The other is expected to follow him in July next.

The second part of the Fellowships programme relates to mutual interchange of university teachers and government servants. The scheme provides for selection of 2 to 4 university teachers for attachment to Government departments and for the deputation of the same member of Government officers to universities for periods ranging between 3 and 6 months.

### *The School of Public Administration*

Arrangements for recruiting suitable teaching personnel for the School of Public Administration have made further progress. *Dr. A. Avasthi* and *Dr. V. Jagannadham* have already joined the Institute as Assistant Professors of Public Administration and Sociology, respectively. Recruitment of other teaching personnel is in hand. It is proposed to send the instructing staff abroad for a short period to study the teaching of, and recent developments in, their respective subjects in the U.S.A., the U.K. and other advanced countries. The School is expected to start functioning by October 1958 when the Institute's buildings will be ready for occupation.

### *Research Projects*

The Transport Study Group has, in co-operation with the Central O & M Division, started a survey of the modes of transport used and the distance travelled by the Class II and Class III Central Government employees in journeys to and from offices.

At the instance of the Public Accounts Committee of the Parliament, the Institute has undertaken a study of the resources and personnel employed on development and non-development activities in the Alipur Development Block.

### *Seminars*

Two 'technical' Seminars were convened by the Institute to prepare the ground for the Members' Second Annual Conference to be held on April 5. The first Seminar on "Administrative Problems of State Enterprises" met at New Delhi on December 20-21, 1957. It was attended by 25 delegates drawn from public and private enterprises, central and state governments and universities.

The second Seminar on "The Pattern of Rural Government (from the Village to the District Level)" was held on February 15-16; 24 delegates drawn from central and state governments, local bodies, universities and public life, participated.

### *Lectures*

The following lectures were delivered under the auspices of the Institute during December 1957—March 1958 :

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|-------------|---|---|
| December 5  | <i>The Rt. Hon. Patrick Gordon Walker, M.P., formerly Secretary for Commonwealth Relations, Great Britain.</i>  | "Individual Liberty and Socialist Administration"<br>(Chairman : Shri Justice S.K. Das)                 |
| December 10 | <i>Mr. Douglas Houghton, M.P., Chairman, Staff Side, Civil Service National Whitley Council, Great Britain.</i> | "Whitley Councils in the British Civil Service"<br>(Chairman : Shri B. Shiva Rao)                       |
| January 13  | <i>Dr. H. R. Tinker of the School of Oriental and African Studies, University of London.</i>                    | "Conventions in English Local Government"<br>(Chairman : Shri A.D. Pandit, I.C.S.)                      |
| March 7     | <i>Shri C. S. Venkatachar, I.C.S., formerly Secretary, Ministry of States.</i>                                  | "Administrative Expansion and Integration of the Princely States" (Chairman : Shri V.T. Krishnamachari) |
| March 17    | <i>Shri L. K. Jha, I.C.S., Special Secretary, Ministry of Commerce &amp; Industry.</i>                          | "Government and Industry" (Chairman : Shri Morarji Desai)   |

### *Group Discussions*

The Public Administration Study Circle of the Institute held two meetings during the quarter. On November 23, it discussed a working paper on "Structure of Metropolitan Government—A Comparative Study".

On January 24 *Dr. C.A.O. Van Nieuwenhuyze*, Academic Secretary, Institute of Social Studies, The Hague, spoke on the teaching of Social Sciences at the Netherlands Institute of Social Studies and its role in the integration of the study of social sciences.

*Mr. Walter P. Hedden*, formerly Director, New York Port Authority, and Transportation Consultant to the World Bank and the Governments of Turkey and Liberia, initiated a group discussion on "Metropolitan Traffic Problems" on January 31.

*Prof. Norman Hunt*, Professor of Organisation of Industry and Commerce at the University of Edinburgh, met on February 14, a selected gathering of high level Central Government Officers and others, for a discussion of the pattern and practices obtaining in the United Kingdom in the field of Industrial Organisation and Management.

*Prof. Walter Gellhorn*, Professor of Law, Columbia University, initiated on February 20, a group discussion on "Some Aspects of Comparative Administrative Procedures" before a select gathering, which included Supreme Court judges and senior civil servants.

#### *I.I.A.S. Round Table, Liege, 1958*

The Institute has decided to send a 3-man delegation to the I.I.A.S. Round Table to be held at Liege, Belgium, from June 27 to July 3. The agenda for the Round Table will be : (1) Devolution of Powers to Autonomous Institutions; (2) Automation and the relevant Problems in Public Administrative Agencies; and (3) Hearing and Consultation Procedure in Public Administration.

#### *Local Branches*

A local branch of the Institute was inaugurated at Patna on January 18; another at Lucknow on February 4. This brings the total number of local branches to 5.

#### *Indian Historical Records Commission, Research and Publication Committee*

The Government of India has appointed *Prof. V.K.N. Menon* as one of the members of the Research and Publication Committee of the Indian Historical Records Commission which has recently been reconstituted.



## DIGEST OF REPORTS

ESTIMATES COMMITTEE, 4th Report (Ministry of Education and Scientific Research-Elementary Education). *New Delhi, Lok Sabha Secretariat, 1958, iii, 89p. Rs. 1.20.*

The main recommendations of the Committee briefly are as follows :

### I. Pre-Primary Education

1. In view of the absence of an all-India policy in the field of pre-primary education, some flexible "guiding principles" should be worked out in consultation with the best educationists and psychologists in the country and these should be brought to the notice of the Departments of Education in the States for guiding the work of the various educational institutions. The National Committee on early childhood education may be revived by reconstituting it, if necessary. There should be insistence upon reasonably uniform standards in matters of educational abilities of teachers, their training, methods of teaching and proper school environment.

2. In co-operation with the State Governments, the Ministry of Education should take steps to increase the number of institutions for training of teachers for pre-primary schools. The Ministry should also devise ways and means to encourage cheaper schools for the children of poor people who cannot afford to send their children to costly pre-primary schools. As it would be preferable to have women teachers for child education, Government should encourage women with requisite qualifications to enter into the field of pre-primary education, offer them stipends during the course of their training, and give them special service amenities especially in rural areas.

3. All central grants to voluntary institutions in the field of pre-primary, primary and basic education, should generally be through State Governments except in cases of institutions of an all-India character. Separate amounts should be properly earmarked for pre-primary, primary, basic and social education, etc., and under each such head separate allocation should be made for important sub-heads like teachers' training, buildings, equipment, books for library, etc., with certain latitude for re-appropriation between the different sub-heads.

### II. Primary Education

1. The results of the all-India Educational Survey should be published early in the form of a brochure and placed on the Table of the House.

2. The Ministry of Education should take more interest to persuade the State Governments to implement the recommendations made in Kher Committee's Report as early as possible so that some uniformity in the administration of primary education in different states is achieved in the interest of its expansion and improvement.

3. Without checking the pace of expansion in the field of elementary education, the Ministry of Education should pay more attention to the

qualitative improvement and for that purpose local resources in the villages and towns should be mobilised and encouraged by way of inviting the local people to share the expenses of primary schools, for furnishing them properly and adequately.

4. The Ministry of Education should invite the Members of Parliament of the State, which fails to fully utilise the grants or implement a particular scheme in the field of education, to a conference to discuss the difficulties and handicaps of their State.

5. All the States have not been able to take advantage of the scheme of Central assistance for increasing the salary of primary school teachers; the Ministry of Education should persuade the remaining State Governments to take advantage of this scheme in the interest of an over-all uniformity. The question might be discussed with advantage at the Education Ministers' Conference especially in view of the prevailing dissatisfaction among the teachers, reflecting in the falling standard of education.

6. The State Governments should be requested to review the position of the teachers under the control of local boards, who suffer from certain handicaps like non-payment of salary in time, utilisation for purposes other than educational, transfers on grounds not considered reasonable, and if necessary, exercise more direct control on general administration of primary education with a view to eliminating the existing evils.

7. The proposals of giving additional amenities to the primary school teachers by way of free medical attendance, free housing and free education to their children up to the secondary stage, should be favourably considered and decisions arrived at expeditiously. Further, the possibilities of insurance of teachers at concessional rates of premia should also be explored with the Life Insurance Corporation.

8. There should be more effective co-ordination between the Union Ministry of Education and the State Governments and both sides should understand each other more correctly and appreciate the difficulties in the way of each so that the existing feeling in the States, that the Centre is trying to centralise all authority even in the domain which really belongs to the States, is removed. The schemes in the field of education should be more freely discussed between the Centre and the States, and the Centre should liberally release the money according to a settled policy to enable the States to carry on the development work.

### III. Basic Education

1. The number of Basic training colleges and schools should be increased to supply the required number of teaching personnel. The duration and standard of training should be raised so that teaching personnel coming out of the training colleges and schools are well equipped for the job required of them.

2. The Union Government should insist that any financial aid given by it directly or indirectly to improve or spread Elementary Education is strictly earmarked by the States for Basic Education *i.e.*, Basic Schools and Basic Training Schools.

3. Systematic comparative study of the achievements of pupils in Basic and non-Basic schools would be useful and might be undertaken with advantage by the National Institute of Basic Education. The steps

proposed to raise the standard of Basic Education should be expedited so that the existing misgivings in the mind of the public are removed as early as possible and Basic Education is put on sound lines throughout the country.

4. The Committee is entirely in agreement with the views of the Assessment Committee on Basic Education in respect of Post-Basic Education that : (a) the whole question of Post-Basic Schools should be fully discussed and there should be some clear declaration of policy in regard to the same; (b) the pupils passing out of Senior Basic Schools who wish to join secondary schools other than Post-Basic schools should be permitted to do so; and (c) the pupils passing out of Post-Basic Schools should be permitted to join in appropriate courses of studies in the Universities. The Committee further recommends that the clear and unambiguous enunciation of policy on these lines and issue of suitable instructions by the various authorities concerned should be expedited.

5. The National Institute of Basic Education should undertake, without any loss of time, the training of basic education workers at the higher level (*i.e.* inspectors, administrators, supervisors etc.) to enable them to properly appreciate the problems in the field of Basic Education.

6. It would be advantageous to associate the officials of the State Governments more closely with the National Institute of Basic Education. Those officially connected with Basic Education and teachers from post-graduate training colleges can work in the Institute for a limited period on problems faced by them taking the help of research workers in the Institute. This would increase the co-ordination between the agencies and the Institute.

7. The Union Ministry of Education should take all necessary steps to ensure that the selection of crafts in basic schools is done carefully and that the teaching is scientifically correlated with craft and not done mechanically as is reported to be the case in a number of Basic Schools in the country at present.

8. State Governments should be persuaded to take more interest by either purchasing products of basic schools or by arranging their disposal through State emporia, bhandars, etc. and by enlisting the help of Khadi and Village Industries Boards in that respect.

9. In the traditional type of training colleges for graduates, training in techniques of basic methods of teaching should be made compulsory instead of optional (as it is in the Central Institute of Education) so that teachers coming out of these colleges have the necessary background in the basic methods of teaching. More women teachers should be encouraged for training, especially for elementary schools; and the schemes for encouraging the training of women teachers should be pushed through with vigour in all the States without further delay.

10. A Training Institute for Basic teachers must have a practising school on basic lines; otherwise the trainees can not derive full advantage of the training and have to go to an outside basic school.

#### IV. Elementary Education as a Whole

1. A perspective plan for introduction of free and compulsory elementary education for children up to the age of 14 years in the country may be evolved by the All India Council for Elementary Education with a

phased programme for the whole country to be implemented within a specified period with due regard to the financial resources, the existing conditions and the recommendations of the various Committees which have already given thought to the problem. Full advantage should be taken of the private initiative by removing all impediments in the way of development of the voluntary institutions in the field of primary education.

2. Since it is not now possible to achieve the target laid down in Article 45 of the Constitution, of providing free and compulsory education to the children up to the age of 14 years, it is necessary that the position is carefully reviewed at the highest level and a revised time limit set up so that the Planning Commission may know without ambiguity as to what financial provision will be necessary on this account during the subsequent Five Year Plans. The Plan provision for Education should not be reduced on grounds of economy.

3. Education in the Union territories is the direct responsibility of the Centre. The Ministry of Education should seriously endeavour to fulfil the provision of Article 45 of the Constitution at least in the Union territories to serve as an example to the State Governments. It would be desirable to earmark the amount of about Rs. 3.5 crores during the Second Plan and Rs. 6.8 crores during the Third Plan for introducing compulsory education for the age-group 6 to 14 years in Union territories.

4. The Ministry of Education should also give financial assistance to the State Governments for schemes of medical inspection of school-going children, which all States should be persuaded to have.

5. It would be advantageous to set a time limit for the preparation and introduction of schemes for imparting universal compulsory education entrusted to the All India Council for Elementary Education.

6. The task of preparing model text books should be taken up by the Central Bureau of Text Book Research forthwith. The Ministry of Education should review, in consultation with the State Governments the Compulsory Education Acts of the States to remove the existing defects and to bring a reasonable degree of uniformity.

#### V. Some Organisational Matters

1. Referring to the Government resolution relating to the establishment of the All India Council for Elementary Education with the Educational Adviser to the Government of India and the Head of the Basic and Social Education Division of the Ministry of Education as Chairman and Secretary of the Council, respectively, the Committee does not favour the policy of intimately involving the Ministry with the management of such bodies. There should be some machinery on the lines of the University Grants Commission, which may be statutory, autonomous or semi-autonomous and should be supplied with ample funds as well as sufficient authority to carry on the work in its sphere in consultation with the State Governments.

2. There has been a marked tendency in recent years of each Ministry taking to itself more and more of administrative and executive work which really does not fit in with the original conception of a Secretariat organisation for dealing with policy matters as distinct from day-to-day administration and executive functions. The Ministry should gradually hand over such institutions to other agencies created for that purpose. In this way the Ministry may continue to have general over-all control so far as policy is concerned; it should not involve itself directly in the administrative and executive functions.

## BOOK REVIEWS

**THE STUDY OF COMPARATIVE GOVERNMENT AND POLITICS;** By GUNNER HECKSCHER. London, George Allen and Unwin, 1957, 172p. 18s.

The use of the comparative method in the study and teaching of government and politics, as old as Aristotle and still largely current, has recently been the subject of much discussion, and the book under notice is a good survey of the problem in all its aspects. It was discussed, in particular, at a conference of American political scientists at Evanston in 1952, (a report of this conference appeared in 1953 in the American Political Science Review), and more recently by the International Political Science Association at its Round Table in Florence in 1954. This book by the Professor of Political Science at Stockholm, who was the *rapporteur-general* at the Florence meeting is a report, and more than a report, of the discussions at the Round Table. It is more than a report because, as Professor W.A. Robson points out in his preface to the Volume, it is the first systematic exploration of the methodological problems involved.

There can be no doubt that Professor Heckscher has surveyed the problem in all its aspects. In the first part of the study he discusses methodological problems like classification, terminology and the configurative approach; and in the second he examines the application of the method to different fields like electoral system, parliaments, parties, nationalised industries and revolutions. But the conclusions he comes to cannot themselves be called revolutionary. Are the results of the comparative method really worth while? The conclusion is that it all depends on the point of view. Causality is not the same thing in the social as in the exact mathematical sciences. (How far are these themselves exactly exact?). Approximate results have their value. And even if we cannot as yet expect to establish a general theory we may be building parts of one in the form of partial problems at least limiting the number of alternative possibilities. Anyway, in the last resort, comparison, however inconclusive, helps us to refine our instruments of description and to understand each particular case better as we are comparing it with others.

Sometimes Professor Heckscher reminds one of a hippopotamus picking up a pea. The book is a useful and comprehensive discussion of a subject which, however, cannot be described as new or very important.

—V.K.N. Menon

**PARTY POLITICS IN INDIA;** By MYRON WEINER. Bombay, Oxford University Press, 1957. xiii, 319p. Rs. 20.

This book does not attempt to present a comprehensive account of party politics in India. Its aim is the modest one of probing into the development of some of the parties which are active in Indian politics at the present day. Both the Congress and the Communist parties fall outside the purview of this volume except to the extent to which they impinge on

the formation and working of the parties studied here. While methodologically there can be no objection to the pursuit of the 'case-studies' of political parties on such a restricted scale, one inevitable result of such a treatment is to give a rather unreal picture of the party situation in India. The ambitious title of the book contributes to the same result by raising expectations of a more balanced picture of the political scene than can be gleaned from these case-studies.

Within the self-imposed limits of his study, however, Mr. Weiner does well in putting together an informative account of the splits and mergers amongst the parties of the left and the right. Much of the material presented by him is gathered in personal interviews with the leaders and members of the various parties and groups. Yet the book is singularly free from the exaggeration of the personal viewpoint into the manifestation of fundamental principle, thanks to the undoubtedly high critical ability of Mr. Weiner. This is indeed why the book will rank as a valuable contribution to the understanding of the politics of the non-Communist opposition parties in India.

Where Mr. Weiner moves from description to reflection questions will, no doubt, be asked of him. Thus, interesting though his views on the relative roles of leaders and rank-and-files faced with the prospect of splits or mergers may be, one has the feeling that perhaps he has oversimplified the case by failing to give enough credit to the largely informal processes of communication between leaders and followers. But this is still an unexplored area of study and one must not be in a hurry to reject Mr. Weiner's conclusions either. On another point where Mr. Weiner tries to show that the electoral system in India has not affected the party system in a major way, one would appear to be on surer ground in questioning him. Between the two general elections, it is well-known, not only that the number of recognised parties diminished but the practice of forming 'fronts' in opposition to the ruling party reflected a growing acceptance of the two-party situation at any rate for electoral purposes. Incidentally, the statement on page 226 that only members of scheduled castes or tribes may vote for the seats reserved for them is not only incorrect but misses the whole point of the controversy between 'separate electorates' and 'joint electorates with reservation of seats' which raged loud and long during the days of struggle with the British rulers.

Mr. Weiner brings his book to a close with a chapter dealing with the prospects for stable government in India. He comes to the well worn conclusion that stability depends on the agreement of all parties on fundamentals while differing on specific issues. However, this chapter appears to be more in the nature of an *obiter* than a conclusion flowing from evidence marshalled earlier in the book.

—S. V. Kogekar

**VILLAGE PANCHAYATS IN INDIA;** By H. D. MALAVIYA.  
New Delhi, All India Congress Committee, 1956. XLII. XXXIX. 843p.  
Rs.12.

"Village Panchayats in India" by H.D. Malaviya wears a robust look and runs into 843 pages of most painstaking writing. The book is foreworded, introduced, prefaced and proemmed by a galaxy of national leaders

which adds political authority to a socio-political study and establishes the resourcefulness of its author. In face of the special importance which is attached to the local self-governing institutions in the new democratic set-up of India, this voluminous work is most timely.

The book is divided into three parts. The first part gives a historical account of the development of village panchayats in this country. The account embodied in this part of the book alone gives much more than the title of the book promises. The author starts from the beginning of human history and narrates the entire story of mankind and of the growth of social organisation. It is in this slow-moving account of history that the author attempts to carry his readers from a stage of total ignorance to one of complete knowledge. After making a good start, he gets entangled in quoting authorities to drive home his point that he himself gets lost in the wood alongwith his readers. The main theme here of the author appears to be that in India a co-operative endeavour in one form or the other always existed in villages and in panchayats, but it disappeared with the advent of the British Rule in India. The author tries to establish it not by a more scientific process of historical analysis but by mere quotations from certain authorities. He talks of community life and of decentralised administration at the village level, but does not care to study these in the context of the closed village economy which then existed and the conditions which had placed severe restrictions on the growth of a monolithic state. An account which either ignores or is complacent about these factors can hardly claim for itself any serious attention. However, to the credit of the author it may be said that though we do not agree with his method of handling history, yet we certainly have to value the clues he has discovered to India's village life. The real value of the book lies in the material which has been made available by the author on everything connected with Indian village life at one place.

The second and indeed quite useful, part of the book is devoted to an assessment of the position of panchayats in the states. For each state, the analysis of the legal position and working of panchayats is preceded by a description of the economic conditions of the villages. The statistical data could, at the end of chapters, very profitably be used to make a comparative study of the institution of panchayats in different parts of the country, and to probe into problems relating to its growth and effectiveness as a popular agency.

And it is to this task that the author applies himself in the third part of the book. "Panchayats problems" according to him "are in fact the problems of our peasant masses and have therefore, to be viewed in their totality. A fairly administrative or a local self-government approach would be perfunctory, would be divorced from reality, would not go at the roots and, therefore, of not much use." With this approach in view, he proceeds to describe the conditions prevalent in the Indian villages and to examine the conflicts which have arisen as a result thereof and suggests remedial measures which would enable the panchayats to play an effective role in the country's march towards socialism. He pleads for speedy legislation for solving the land problems. "Early redistribution of land, fixation of ceilings, land reforms and far-reaching tenurial reforms gain added importance as in the absence of the economic justice, our village panchayats will fail to secure the co-operation of the masses for development

activities." And yet the problems of development call for speedy and quick solutions and it is the panchayats alone which can be the most potent instruments for harnessing the unleashed mass energy and securing community effort which are of special significance in the context of our distressingly meagre resources. The need for building them up is, therefore, obvious and it could be done by orienting the panchayat members and the higher officials in a 'set ideology and philosophy' and by drastically overhauling the administrative machinery so that it may inspire more confidence amongst the people. Towards the end the author also deals with the panchayat functions and finances.

The problems are fairly important and require to be critically treated. But, instead of subjecting them to such a study, the author once again adopts the easy method of proclaiming his individual views as also of some of his favourite leaders and authorities. The material collected is abundant and Shri Malaviya must have taken enormous pains to get at it. He cannot however, resist the temptation of inserting it in whenever and wherever he can; and the slightest pretext shoots off at a tangent to give a lengthy discourse on subjects which hardly needed more than a bare treatment or a passing reference.

For instance, while trying to underline the vital role which the village panchayat must play in 'India's march to a socialist society', he proceeds to evaluate the nature of Congress socialism and describes at some length the processes of socialist orientation of the nationalist ranks till the formal acceptance by them of the socialist objective at Avadi. Similarly, the importance of radio as a medium for the communication of modern ideas to our villages takes the author on to the 'poverty of our rural programmes', the problems of personnel and the unhappy experiment with 'Producers of the Hindi spoken word' and in the end to the conclusion that 'the least the Government of free India can do is to summarily dismiss such fossilised minds'. Again, pointing to the role of the administrative machinery in building up panchayats he forgets to deal with the main theme, *i.e.*, the organisational structure and arrangements which are needed for nurturing their growth, and runs away with the idea of a new broom which will sweep clean. He plunges into the traditions of the British colonial administration in India and the new tasks of the services after independence only to emerge to see that 'the many officials at the top continue to live in their make-believe world of clubs and all the rest of it, continue to hate the people and the 'mob' rather than love it, pine for the British days gone never to return and on the whole intensely dislike all this democracy and Ministers and all the lot of it'.

If the author had, on the other hand, confined himself to the four walls of the problems and bestowed equal thought and consideration on them, the results would have been different. With all the material at his disposal one would have expected a more thorough treatment of the subjects like the panchayat functions, finances, factors responsible for the ineffectiveness of panchayats, etc., it is a common knowledge that the 'total resources of the panchayats are far from adequate'. It is, however, not enough to suggest that 'any increase coming from the villages *i.e.*, in the land revenue income should, in all fairness, go back to the villages through the village panchayats. These institutions cannot subsist on grants alone and if they have to grow to their full stature, they must, to the extent possible, develop their resources—



both tax and non-tax. There is, however, hardly any attempt to comprehensively deal with this aspect. The author takes considerable pains to explain that the allocation of functions of panchayats should be on the basis of what is desirable and not on the basis of what is possible and that "all tendencies to curb them should be avoided; but when he proceeds to discuss them, he chooses to make mention of only 'village sanitation' and the 'revenue functions'. He blames the officials for being unhelpful to the panchayats and 'for regarding their developments as being tantamount to a curb on their authority', yet he fails to take cognizance of the fact that the factors which have contributed to their ineffectiveness are many—not the least amongst them being (i) the lack of proper leadership and (ii) apathy on the part of some leaders to assist the panchayats in the process of their growth as they see in it the danger to their present political influence.

The book is crammed with a mass of useful material and many valuable ideas and suggestions. There are, however, many loose ends hanging all over. The treatment is perfunctory and the arrangement lopsided. With a little more care and probe, chiselling and craftsmanship, the book would have become an excellent treatise on the subject; but even as it is, it serves to acquaint the reader with the many intricate and complex problems of the development of panchayats and with some of their solutions.

—S. L. Khurana

**CONSTITUTIONAL DEVELOPMENTS IN INDIA; By CHARLES HENRY ALEXANDROWICZ.** *Bombay, Oxford University Press, 1957, 255p. Rs. 12.*

It is said that a constitution, when written, does not breathe. It gets life and begins to grow only when human elements gather and work it. As time passes by, imperceptibly, it assumes a new shape and even a new meaning. The significance of a constitution in the final analysis depends on how faithfully it is executed by those who are in charge of it and also how skillfully and smoothly it is adapted to suit the changing conditions and circumstances of a dynamic society. Of all the different instruments that help this process of adaptation, constitutional conventions and judicial review are perhaps the most suitable and, therefore, the most important. To what extent have these been really effective in the adaptation and growth of the Indian Constitution during the last seven years is the subject of enquiry by Prof. Alexandrowicz in his recent work "Constitutional Developments in India."

Prof. Alexandrowicz is eminently qualified for this task both as a lawyer and as a law-teacher. He was barrister-at-law of the Lincoln's Inn and is at present professor of International and Constitutional Law at the University of Madras. But more than this, he has brought to bear on this subject an unprejudiced mind, penetrating research and a sympathetic understanding of the conditions under which the Constitution was drafted and adopted, and has been working ever since. In this respect, he stands in striking contrast to most of the constitutional experts from Britain who attempted to write on the Constitution of India, but who could not and did not appreciate many of its provisions.\* Further Prof. Alexandrowicz's

\*For example, to Ivor Jennings the Constitution is inflexible and outmoded in many of its parts, to K.C. Wheare it is not federal but only 'quasi-federal' and according the Allen Gledhill, the President of India can be a dictator.

work, for the first time, breaks new ground in constitutional writing in India by providing an analytical and critical examination of the processes that have been affecting constitutional developments in India since 1950.

The entire theme of the book is built upon the premise that problems of constitution-making and the issues arising in the course of constitutional practice are intimately interwoven. Therefore, any discussion on constitutional developments should be related to circumstances under which the different provisions of the Constitution were conceived as well as the conditions under which they were applied in practice.

There are four important areas in the constitutional law of India to which the author pays special attention for the purpose of such analysis and which form the bulk of the contents of the book. These are : (1) the role that is played by conventional rules in the operation of a real parliamentary and cabinet system of government in India, (2) the nature and the scope of judicial review, (3) the problems which confronted the Constituent Assembly in the formulation of provisions concerning personal liberty and other fundamental rights and how these issues have reappeared after 1950 in judicial cases or administrative practices, and (4) the issue of centralization versus decentralization of Indian federalism in the light of the demand of a highly heterogeneous society. In addition, he has also dealt with, though not in detail, subjects such as "Separation of powers and delegation of legislative power", elections, freedom of trade and directive principles.

A superficial understanding arising out of the extraordinary length and the multiplicity of details in the Constitution—395 articles and 9 schedules—might give one the impression that provision has been made in the Constitution to settle every imaginable problem of government. But this by no means is the case. Let us take the most striking example, the provision by which the executive power of the Union is vested in the President who is aided and advised by a Council of Ministers. Those who adhere to an ultra-literal interpretation of the Constitution, who care not to go into, in addition to the provisions of the Constitution, the discussions in the Constituent Assembly, the background of the Constitution and the constitutional practices which have been growing fast during the last few years, may still argue that the President, if he cares, can very well be a real and not a constitutional or nominal head of the State.\* The fallacy of the argument will become clear only when we realise that the principles of parliamentary or cabinet system of government have not been in their entirety incorporated in the Constitution. The fact is that they are only partially incorporated. A number of them are left to conventions.

While interpreting the Constitution, is it necessary or advisable for the courts to follow strictly the British practice of construction of legal documents including Parliamentary enactments? According to British practice, the course which a bill followed in the Legislature cannot be admitted to control the construction of the Act and the intention of the law-makers has to be ascertained from the words of the enactment. A strict adherence to this rule means that the debates in the Constituent Assembly are wholly inadmissible for the interpretation of the Constitution. The courts in India, particularly the Supreme Court, in the opinion of the author,

\*See Allen Glendhill ; "The Republic of India", 1951, p. 108.

have neither followed an approach to this question nor adopted an attitude which is consistent. In support of this contention he cites the decisions of the Courts in two important cases. In Gopalan's case<sup>1</sup> a majority of the judges made use of the preparatory work of the Constituent Assembly to clarify the meaning of Article 21 dealing with personal liberty to dismiss a *habeas corpus* petition. But when the Court was called upon to interpret Article 31(2) in the State of West Bengal Vs. Mrs. Banerjee<sup>2</sup> it refused to recognise the debates in the Constituent Assembly for the purpose of interpretation. Legitimately, therefore, the author asks the question: "If in the view of the judges the term 'Compensation' was clear to the extent of not calling for resort to the equally clear, but different intentions of the Constituent Assembly, why have the majority of the judges in Gopalan's case referred to the Report of the Drafting Committee and the debates to show that what was not to be found in Article 21 (personal liberty) was previously added? The text of Articles 21 and 31(2) could have been considered equally clear or equally ambiguous. If the first was the case, there was no need to refer to preparatory work of the Assembly in either of the two decisions. If, on the other hand, the latter was the case, reference to it was equally admissible in both decisions. Either one or the other solution could be adopted, but one of them must be accepted for both and indeed for all types of cases. Our plea is for uniformity in principles of interpretation of the Constitution."<sup>3</sup>

In support of his contention the author refers, in this connection, to the practice in the United States. Instances abound in the reports of the U.S. Supreme Court where for many years after the implementation of the Constitution, the judges were striving to find the original intention of the framers in order to interpret the constitution in that light. If the United States judges do not resort to that practice today, it is largely because the intentions of the framers have been so fully exploited for over 160 years that very little new and reliable interpretation is forthcoming. Moreover, the original constitution has been so much modified by 'later framers', particularly by judicial interpretations, that there is little significance today in going into that, while deciding new cases. But this is not the case in India. Here is a new constitution. The Draft which was placed before the Constituent Assembly had undergone substantial modifications and alterations in a period of two years at the end of which the Constitution was finally adopted. Everyone of the articles was discussed at length and every change was considered in detail and arguments for and against were advanced. Naturally, for any body which is charged with the responsibility of interpreting the Constitution cannot afford to ignore the debates in the Assembly. For, it is these debates which can throw the maximum light on every complex provision of the Constitution that calls for interpretation.

In spite of the weighty arguments of the author in support of his condemnation of the interpretational inconsistencies of the Supreme Court, one is inclined to point out in support of the Court's stand that the problem is not so simple to deal with as he apparently appears to imagine it to be. This can be seen from the statements of Dr. Ambedkar himself who made a revelation in Parliament when the Fourth Amendment Bill was being dis-

1. 1950 SCJ 174.

2. 1954 SCJ p. 170.

3. Page 14.

cussed. He said that one of the articles that experienced the greatest difficulty to get into final shape in the Constituent Assembly was that which dealt with right to property as a fundamental right. Neither in the ruling Party, the Indian National Congress, nor in the Cabinet, was there any unanimity on this matter. Opinion was sharply divided into two or three groups, an extreme left which favoured nationalisation even without compensation, an extreme right which favoured nationalisation with full compensation and a middle group which represented a more moderate yet progressive attitude. These conflicting attitudes to this complex problem were reflected in the debates of the Assembly also. If Article 31 in its original form lacked precision, it is to be accounted for the lack of crystallisation of the ideas connected with the proposition itself. Under these circumstances the Supreme Court might not have enlightened itself any better by going through the Constituent Assembly discussions. It was on surer ground by adopting a literal interpretation of the provision even if it did not thereby please the prevailing mood of the government.

It is useful to remember in this connection that, in spite of the Fourth Amendment, issues related to nationalisation and compensation have not yet received a final shape in the policy decisions of the government. At any rate, the fact remains that the discussions in the Constituent Assembly do not give a decisive picture on this complicated matter. That certainly is not the case with respect to the discussions pertaining to personal liberty. There the picture is abundantly clear. Naturally it was wise on the part of the Court if it ignored the Constituent Assembly debates on property rights while referring to them in connection with personal liberty. It seems that the safest and the consistent thing for the Court to do is to look into the debates while it interprets the Constitution but be influenced by them only when the debates give a very clear picture. The Court, being the supreme authority in the field of constitutional interpretation in India, is free to adopt its own rules.

To base the interpretation on the spirit that is supposed to pervade the Constitution was bound to lead the Court sooner or later into serious troubles. The difficulty with 'the spirit of the Constitution' approach is that more often than not it differs from individual to individual according to his own ideas, beliefs and philosophy. To interpret a constitution on such a basis is nothing but an open invitation to trouble. Constitutional interpretation through the process of judicial review in the United States and the history of the U.S. Supreme Court, must have revealed to our Supreme Court the inherent dangers involved in the process. The position in the United States was most beautifully described by Governor Hughes (who later became the Chief Justice): "We are living under a Constitution, but the Constitution is what the judges say it is." There is little scope in India as in the U.S.A. to interpret and reinterpret the Constitution to suit the 'felt necessities of the times' or to pull back the State from the various edges of disaster which it approaches in its preoccupation with the immediate and the inessential.

The author has devoted almost one-half of the book in discussing some of the vital issues relating to Fundamental Rights. Here again, his analysis deals with, on the one hand, the debates in the Constituent Assembly, and, on the other, the issues which have later reappeared in judicial cases or ministerial practices after the enactment of the Constitution. The limitations of personal liberty in a newly created democratic system of government

and the pros and cons of a law of preventive detention that finds a place in the chapter on Fundamental Rights have been subjected to a detailed and balanced discussion. The point has been well brought out that both the judiciary and the legislature are anxious to see an end of the law of preventive detention in India. The important cases that have been decided in interpreting the seven freedoms, such as, freedom of speech, freedom of assembly, freedom of association etc. under Article 19, equality before law and equal protection under Article 14, freedom of religion and the right to property, have also been discussed at length. The importance of Article 32 and 226 under which 'prerogative' writs are issued by the Supreme Court and the High Courts and the excessive demand for these writs by citizens are also dealt with in detail.

The discussion on Indian federalism easily stands out as the best in the whole book. Here is a clear analysis of the concept of federalism in the light of the working of federal government in different parts of the world which leads the author to the conclusion that India is a *real* federation. He analyses at length the point of view of political scientists like Prof. K.C. Wheare\* who have been using the term 'quasi-federation' to describe the form of India's Constitution based upon a superficial analysis of the Constitution and a poor understanding of its working. To them it seems that federalism is such a rigid and water-tight concept that it can be applied to governmental organizations like an equation to mathematical problems. Such an approach is highly unrealistic and even artificial. Federalism like democracy is a political principle. Just as democracy has its local variations to suit local conditions and varying circumstances, federalism too has its local variations. An examination of the American, the Swiss and the Canadian federations will clearly show this.

A study of the constitutional practices and relevant test cases after the enactment of the Constitution alone will throw sufficient light on developments in the federal structure of India. The redrawing of the map of India almost exclusively on linguistic lines, the restoration of constitutional government in all the four States, where, under emergency powers, the Union had taken over the administration of the States (Punjab, PEPSU, Andhra and Kerala), as soon as a stable government could be formed, these two significant trends alone will show that it hardly justifies the classification of India as a quasi-federation. A close examination of the legislative and administrative and financial powers of the States and the manner in which they can exercise these powers will show that the Constituent Assembly gave these powers to the States as essential elements of parliamentary and responsible government. The States, as Dr. Ambedkar stated in the Constituent Assembly, are as sovereign in their field, which is left to them by the Constitution, as the Centre in the field which is assigned to it.

The discussion on separation of powers and delegation of legislative power, although it is only an examination of an Advisory Opinion of the Supreme Court under article 143, throws considerable light on the nature and extent of delegation under the Constitution, particularly in contrast with the position either in Britain or the U.S.A. Although India adopted the Parliamentary system, there is no parliamentary supremacy in India. As such, Parliament's authority to delegate legislative power to the Executive is not unlimited. But this does not mean that the scope of delegation in

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\* K.C. Wheare, *Federal Government* (1951).

India is as narrow as is obtained in America where legislative power cannot be constitutionally delegated by Congress.

On the whole, here is an authoritative study, objective and, at the same time, suggestive of a new approach which deserves to be developed in the field of constitutional writing in India. It is regrettable, however, to point out that a number of names are wrongly spelt in different parts of the book. It is true that to most westerners Indian names are difficult to handle. Perhaps Prof. Alexandrowicz also finds the same difficulty. This is evident from the way in which he has abbreviated a number of well-known Indian names. But the result of this has been rather costly. When names of individuals are quoted, it is necessary to use them in approved forms. There are a number of well-known Indians whose names are popularly written in approved abbreviated form. The only method that will avoid such confusion seems to be to follow the practice adopted in official publications such as Parliamentary debates.

—M. V. Pylee

**THE INDIAN FINANCIAL SYSTEM;** By O. K. GHOSH. Allahabad, Kitab Mahal, 1958. 140p. Rs. 5.

Very few experienced administrators know the byways in the labyrinth of the government's financial system. O. K. Ghosh has not attempted an easy-learn-yourself-guide to this intricate jungle. Nor has he provided a first aid to economy-minded critics to enable them to make immediate suggestions for reducing governmental expenditure and removing inefficiency. The chief merit of this thought-provoking little book is the many suggestions it makes for improving financial administration in India. One may not agree with all the proposals—the present reviewer is violently against some of them; yet the book focusses attention on the sources of trouble spots and challenges the reader to work out his own solutions.

Though the book runs into only 140 pages, the author has drawn extensively on practices in the U.S. and U.K., and to a lesser extent, in Canada, the U.S.S.R. and certain other countries, for describing financial relations between the union and state governments and the budgetary methods and control. He makes a strong plea for attaching economic information organisations to the legislatures. Experts and journalists on the organisation would maintain a close liaison with the press, keep legislatures fully informed of all financial and economic developments.

The Indian Audit and Accounts Department today is responsible both for the compilation of the accounts and their audit. The phased programme of change to a system where the auditor general would be responsible only for audit while the departments would compile their accounts, as favoured by Mr. Ghosh, must tread on many corns both official and non-official. He also wants a system of financial advisers-cum-chief accounts officers, as exist in the big projects; and resident auditors, who have intimate contacts with the departments, to audit expenditure.

Remodelling the budgetary classifications along functional lines and a consequent reduction in the bulk of the budget estimates is touched upon, but one wishes more analysis and thought had been given to this complicated question. The general conclusion that the budget should be made more understandable to the legislators as well as provide great flexibility to the administrators in its execution is sound.

Prime Minister Nehru has called for "scientific evaluation", or an efficiency audit which in U.S.S.R. practice is called "Khozraschyot." It means that instead of the usual financial audit, looking into the regularity, faithfulness and wisdom of expenditure, there should be an assessment of achievement carried out by a team consisting of the representatives of the administrative departments, audit office, and economists, statisticians and management experts. The group would be qualified to judge, especially in the context of the five-year plans, how successfully development activities were being implemented. The system is hard to work and Russian experience is only a broad guide. The problem of judging achievement of plans is one confronting United Nations Technical Assistance Administration which inspite of a good deal of thinking has still not been able to formulate a definite technique. The U.S. foreign aid programmes have similar problems.

The publication of the book has been hurried. There are at least two printer's devils and one major factual inaccuracy. On page 46 a functional budget is stated to be the same as a performance budget. Nor is the statement about the Hoover Commission's recommendation on performance budgeting "not being put into operation anywhere except in the the State of Maryland" correct. The Hoover Commission was only concerned with the federal government and not the state governments. Its recommendation on performance budgeting was implemented in the United States Department of Defence in 1949. The Tennessee Valley Authority, the City of Richmond in Virginia, and the City of Los Angeles, have, to name a few jurisdictions besides Maryland, performance budgeting.

The relevance of chapter 15, "Some Proposals made by Mr. Ashok Chanda, Comptroller & Auditor General of India" to a book on Indian financial administration is questionable because they deal only partially with financial matters. The chapter by far is the strongest and the most well-reasoned part of the book. Very briefly, the author wants to establish all India technical services on the grounds that scientists and technicians, rather than general administrators, should have a more important position in a rapidly industrialising state; that more importance be given to "field" rather than secretariat posts because the reverse procedure now followed is a carry over from the colonial days when the secretariat officers were also the political rulers of the country; that a high powered review of the administrative system on the lines of the Royal Commission enquiries in the United Kingdom be carried out periodically so as to make administration conform to the rapidly changing patterns of social need in an expanding economy. The author is at present Accountant General, Uttar Pradesh; he has to his credit service experience of sixteen years in the Indian Audit and Accounts Department, and of twelve as an Under Secretary and Deputy Secretary in the Union Finance Ministry, the Planning Commission, and the States Reorganisation Commission. He has looked into our financial system from the perspective of executive government and the audit department. The book is a welcome publication in a field where very few Indians address themselves, perhaps because Englishmen never studied the administration from an academic point of view. It should stimulate more practitioners of public administration to write in the special fields of knowledge with which they have particular familiarity.

—Anand K. Srivastava

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#### THE AMERICAN PUBLIC EXECUTIVE\*

*Harlan Cleveland*

THERE are a number of points that I might make for myself standing in this great city of India and in this premier Institute. First of them is that I am not Dr. Paul Appleby. I have fortunately his job only but not his wisdom. I have inherited his desk, but not his knowledge of India.

Woodrow Wilson, when he was Governor of the State of New Jersey was awakened in the middle of the night one night by a politician of his acquaintance for the purpose of informing him that a member of the Governor's Cabinet had died of a heart attack a few moments before ; Wilson was not very clear as to what he could do about it and why this sad news could not wait till 7 or 8 a.m. next morning. He found himself saying, "Well, Mr. so and so will be a hard man to replace." The politician was quick to answer. "Well, Sir", he said, " I rather thought I might replace him." Governor Wilson was equally quick with his retort. "Well," he said, "that's all right for me, if it is all right with the undertaker."

Here, I am afraid, I am not a good replacement for Paul Appleby. I do not exactly know what I am doing, discussing the leadership of executives in the presence of so much executive leadership. This *Institute* itself is an extraordinary evidence of the executive leadership of Shri Bapat and Prof. Menon and many others, in and out of the Government, extraordinary evidence of the interest in this subject of the past, present and prospective members of the Indian public service.

Perhaps the most useful thing that I could do this evening would be to discuss a point of view, a way of looking at the American Public Executive ; to try to describe some of the conditions of the jungle,

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\* Text of a lecture delivered at the I.I.P.A. on November 12, 1957.



the American bureaucratic jungle, in which he lives and dies; and to raise the question whether any of this experience is relevant to the development of Indian public administration.

## II

The political weather in our bureaucratic jungle is set by the condition of the society it represents, and particularly, by two aspects of that society: by the size of our country and the open character of our society. You are familiar with some of the indices of our size and I will not dwell on it. It may seem curious to say, standing here in the capital of a nation internationally famous for its large population, that the United States is actually growing faster than India. Over the last decade our population has increased 16 per cent; we have more old people but also more young people and more Westerners. In the next 20 years, it is estimated that our population will rise by another 50 or 60 millions. Nearly all of this increase will take place in the cities; and this extraordinary growth of population, starting as populations generally do with the children, will create some massive problems even for as relatively well-off a society as ours. What Barbara Ward has called the "thundering herd of pattering feet" is going to turn up in our schools during the next few years, and in our colleges not long thereafter, and in public and private employment after that.

Our productivity increase, another index of size, is also dramatic and is also known to you. It seems curious to reflect that a hundred years ago two-thirds of our motive power was provided by animals and human beings; nowadays, something less than one per cent is provided by anything other than machines. It seems curious to reflect that, in its whole history, mankind has managed to concentrate energy by a factor of ten, yet in the last decade or two, with the development of atomic energy it suddenly has managed to concentrate energy by a factor running into the millions. It seems curious to reflect that after the long history of starvation on several continents, there can now be a country like ours in which there are hardly any serious food shortages. Indeed, a recent study reports that one quarter of the American population is sufficiently overweight to provide a real health problem—and I know it well because I am part of that quarter.

It is curious to reflect that there is a society, the United States, in which you can get our entire population, inflated though it is in numbers and in per capita avoirdupois, into the *front seats* of the automobiles we now own. We would not of course be able to drive because we would not be able to get through the traffic, and even if

we got through, we would not be able to park; but nevertheless, we could all get into the front seats. Here is a society in which, starting not long ago with less than 5 per cent of the college-age population in colleges; and the estimate now is that within the next couple of decades, more than 50 per cent of the population in the 18 to 22 age-range will be attending college.

The Twentieth Century Fund, in its recent study of America's needs and resources, put it this way: "Our vast productive plant is a flexible man-made resource which, barring atomic devastation will prove equal to any imaginable need." That is quite a claim. But so far the claim is well documented by the facts.

Concurrent with this tremendous growth is, of course, the necessary and inevitable growth of Government. I do not know how many of you have had the opportunity to read the acceptance speeches made by President Eisenhower and Vice-President Nixon, the electoral candidates in 1956 of the Republican Party. On that occasion, at the moment of accepting the nomination for high office of the more "conservative" of our political parties, both officials made a full and an unequivocal commitment to full employment, the kind of commitment that used to be called "socialist." Moreover, the Republican Party, following by some years the Democratic Party's lead, made a vigorous commitment to rising welfare standards at home, and a commitment to international leadership. The last of these commitments reflects not our capacity for leadership, but the responsibility unavoidably thrust on a nation which produces more than 40 per cent of the world's gross product.

As a consequence of these several commitments, the United States Government finds itself intervening in the United States economy on a massive scale—and on a time-schedule so sudden that the depth and character of this intervention is not yet well understood in the rest of the world. Indeed, it is not very well understood at home.

The Government has intervened to lay the basis for production with a large programme of public power, with a 13 million dollar programme of public highways just approved. It has intervened to conserve resources and protect people through the development of river-valley projects with which you are very much familiar here. It has intervened to improve living standards: At the beginning of the New Deal, 10 per cent of our farmers had electricity in their homes; by the end of the War, 90 per cent of our farmers were working and living with electricity.

Government has intervened to prop up prices—especially farm prices, because the farmers appear to be a little more effective in making their desires known to the national and state legislatures than are the people who are interested in higher prices in other sectors of the economy. The Government has intervened to establish a general floor on welfare through the social security programme, through a programme of unemployment compensation and also through a programme of special welfare benefits for veterans. In our society, by the way veterans will soon constitute 50% of the nation's family units—a development which will raise in an acute form the question as to whether there should be a special welfare programme for veterans that is not applicable across the board to the whole population. Government has intervened to defend the nation, and spends one-half to two-thirds of the so-called "peacetime" national budget for defense purposes. Government has intervened, if a trifle reluctantly, to provide education for all, and it has intervened to promote the effective use of leisure. Our national parks are visited each year by a number of visitors which exceeds our total population.

And finally, our Government has intervened in the economy to promote more Government. Under the guise of "urban renewal," for example, it is financing studies of the newly inflated condition of our metropolitan cities, in order to begin the process of inventing a new level of Government, the metropolitan government—the first structural renovation that we have needed since the adoption of the United States' Constitution. Government's use of resources for these purposes now add up to something like 1/5th to 1/4th of our Gross National Product, and is spent through the staggering total of 117,000 different governmental units. Americans are much governed ; whether adequately governed is another question.

This is, very briefly, the story of the *size* of the American society, over which our Government has to rule. But our society has another characteristic too which is even more directly relevant to the nature of Government. It is an *open* society, which requires the Government to act as a Government of free men, a Government *by* the people.

These are old words, but in the second half of the twentieth century their content is sufficiently new to be widely misunderstood. For some of the old ways of looking at American Government are quite obsolete today.

For example, we all have read manytimes that in the United States, Government is divided into three parts. A student cannot get through the third year of high school without learning this particular point

of doctrine. I am not at all sure that in *the most meaningful sense* it is true any more. I am not at all sure "the separation of powers," the phrase which has been so much identified with the study of American Government, should not now be retranslated as "the diffusion of power." It so happens I myself had an early lesson on this subject.

It happened when I was an "intern"—that is, an uncompensated learner—in the American Government before the Second World War. My internship was rather special, it was not in the Executive Branch of Government; it was in the Washington office of Senator "Young Bob" LaFollette of Wisconsin. I found myself on one occasion representing the Senator at a claims hearing before the Veterans Administration. I did not have very much to do; I was just supposed to stand there to look large and representative, to dramatize by my presence the fact that the Senator was interested and that if the Claims Board did not give this veteran from Wisconsin what he wanted, undoubtedly the Veterans Administrator would hear from the Capitol. So I stood there, with plenty of time to think, and I asked myself, "Where is this separation of powers that I hear so much about? Here I am, a legislative bureaucrat, trying to intervene in the efforts of an executive bureaucracy to perform a judicial function."

The more you look at the actual process of Government in Washington, the more you see that every subject is participated in by all the three Branches in one way or another. Every part of the Government has been involved in the school de-segregation issue—though nobody has quite settled it yet. I spent thirteen years in the American Government (with a couple of years off to work in an international agency), and I cannot recall any piece of legislation under which I operated which was written by Congress or Congressional staff; each law was written in the Executive Branch of the Government. By the same token, the legislature—the Congress—participates with appalling vigour in the executive processes of the Government. Senator McCarthy, though he was rather dramatic and interesting for other reasons as well, provided us the clearest recent example of trampling on the prerogatives of the executive with (at first) the executive's full consent. In many other ways the Congress applies pressure on individual matters of administration. Civil service reform has made too much progress in the 75 years since the passage of the first civil service legislation to make it possible for Congress to intervene effectively in most personnel matters. In many agencies, in fact, an appointment which has political push behind it is in danger of dying of neglect. But on matters of policy and on

matters of administration, on the issues about what the personnel, once hired, are going to do, and how much money they will have with which to do it, the power of Congress, particularly the investigating power of Congress, has been skillfully and importantly used to participate in the executive process of Government. I am not passing judgment on this trend; I am just stating what is a fact. Power is not so much divided as diffused.

Another canard we hear about American Government is that we have a two-party system. It is not clear to me that we have a two-party system. For the limited purpose of electing people to office, there are indeed two party labels, labels which mean different things in different parts of the country. But for the purpose of deciding issues of public policy, we do not have a two-party system; we have a coalition government that is almost as chaotic as that of contemporary France. We have just as many splinter parties in the Congress as the French Assembly has. The primary advantage of our system is that when you reach an impasse in the Congress, it does not prevent you from having a Cabinet.

When, as the member of the Executive Branch of the Government, I found myself responsible for Congressional relations on a particular programme—in my case the economic side of the Mutual Security Programme, I found that my job was to help build a coalition within the Congress. And I found that my little lists of Senators and Congressmen, as to who was for our programme and who was against it, who might be influenced one way or the other and by what considerations, were entirely different from other coalitions that were being built by my colleagues in other departments of the Government. All of them were promoting something called “the President’s programme,” at that time the programme of President Truman. But each of them was helping build a different coalition—there was a Health coalition, an Education coalition, a Defence coalition, a Mutual Security coalition. There were, at that time, at least 17 or 18 different major coalitions in the Congress; all of which were being used to promote something called the President’s Programmes or the Executive Budget.

So, we have Coalition Government. You will find it so if you go through one of our Congresses, select all of the major issues that come up at one session and see whether any of those issues could have been passed with the unaided vote of either Republicans or Democrats present and voting. (Perhaps this would be a good research project for a student at your Institute’s School of Public

Administration when it gets started.) I do not think in the last Congress you will find any major issues on which President Eisenhower was supported by the unaided vote of the Republicans that voted with him; each time the question was *which* Democrats and *which* Republicans would support the President, on what issue and with what sectional interest involved. He always had plenty of Republicans against him and plenty of Democrats for him.

### III

Does this discussion of American politics seem a digression from my topic of "executive leadership"? It is, in fact, directly germane to the main point. In our system, the American public executive cannot concentrate only (or at top levels, even primarily) on internal administration; he must equally concern himself with the building of consent for the programme he is administering. To put it another way, he must be interested in "politics," as well as in "administration." I am not referring here to party politics. The parties are not important for the purpose of deciding *what* is going to be done; they are only important for deciding as to *who* is going to do it. The process of deciding what is going to be done is much more complex and as I have just indicated it has very little to do with the party labels of individual Congressmen, Senators and Presidents. In international relations we speak of "open covenants openly arrived at." In our kind of Government, you can describe the process of decision-making as "close decisions openly arrived at."

This confusion of parties and of the branches of Government is closely related to two other kinds of confusion, both of which affect conditions under which the American public executive has to work. There is, to begin with, a confusion in the levels of Government. Most important domestic subjects are handled not at one but at all levels of Government. It is no longer true to say that if you study local government, you will primarily be studying problems like public order and social welfare, problems that touch the life of the people in the local community. The problems that touch the life of the people are now the direct concern of Government at all levels, local, state and national. A housing programme may be largely, in theory, in the hands of a housing authority in a local municipality, but it must follow on standards that are set for it by the Federal Government through a State Housing Department, as a condition attached to the Federal and State funds the housing authority is using. The health welfare programme is handled partly by a local government but partly also by local offices of the State Departments concerned and of Federal agencies such as the Social Security

System, the Veterans Administration and the U.S. Public Health Service. In Syracuse, New York, there are 49 different Federal agencies of Government with enough business to handle in the Syracuse area to justify a special office there; and there are some 60 State agencies with an impact on the citizens of the city. For any individual citizen, this maze is getting considerably more complicated than any of the famous mazes of history, like Hampton Maze.

So, you find that American public executive not only has a consent-building function *vis-a-vis* the legislature. He also has a function of consent-building, of politics, as between his agency and other public agencies. If he is a Federal official, that means he may have problems of "external relations" with other Federal agencies, state agencies, local agencies, school districts, soil conservation districts and any number of other administrative units of local government.

Let us take two illustrations of this which are worth mentioning. One is the plight of the city planner. Now it used to be that the city planner had a certain amount of control over his own destiny and the destiny of the city in which he was employed. He could draw a plan of how his city ought to look; then the power of local political authorities, if they agreed with the plan, could be applied to put it into effect through zoning regulations and other uses of public authority. It didn't always work this way, but the point is that local authority was substantially sufficient to carry out the plan if those who wielded the authority wanted to use it.

But nowadays, most of the things that happen to a place like Syracuse are not decided anywhere near Syracuse. Some are crucial private decisions, determinations of the supply of automobiles that are made in Detroit, industrial location decisions which are made by business executives in the skyscrapers of New York. There are public decisions, decisions about the location of highways, about building standards, about the cost of money and many, many other things which are all made in Washington and Albany and other places far removed from the Mayor's office in Syracuse. Indeed it now turns out that the city planner may or may not have a background in physical design or architecture, but he absolutely must have the understanding of governmental process necessary to know who is deciding what within this maze of federal and local bureaucracies, the ability to predict what outside authorities are going to do what to his precious community, and an unusual skill in lobbying for his own city with the public agencies of the State and Federal Governments. These functions are certainly a far cry from what used to be called "planning."

Consider, again, the plight of the United States Ambassador today. It used to be that the ambassador's function was to represent his country and supervise a small staff of reporters and negotiators who aided him in this limited task. But in 1957, in a place like the Island of Taiwan, the American Ambassador finds himself more or less responsible for the activities of 10,000 Americans there. Even here in India, he finds himself worrying about the activities of several hundreds of families who are there not only for the traditional diplomatic reasons, but to administer a large programme of technical and economic aid and to manage a sizable information programme. Thus in many parts of the world, the job of being an ambassador has become a major executive post. It is no longer so clear as it used to be that Foreign Service training, training in diplomacy, is the best training for the performance by the ambassador of his primary executive functions. These are only two of many possible examples of the same fact: that American public executives, the top Americans in many kinds of Government posts, face a rapidly growing range of activities over which they have to spread their necessarily limited skill and understanding.

Beyond the diffusion of power among the traditionally "separate" branches of our government, and the confusion among the several levels of government in the United States, there is also another kind of confusion—that between "public" and "private" functions. We have seen the extraordinary depth of Government intervention in the American economy. I won't go so far as to say that the U.S.A. is the most socialistic country in the world; although if you were to define socialism as egalitarianism plus vigorous Government commitment to full employment and prosperity, I am not at all sure whether the phrase would not come surprisingly close to the mark. In any event, the functions of Government must grow rapidly; yet it is a fundamental tenet of American politics that such growth should be restrained from growing further. It is this chronic dilemma which over the last decade especially has tended to blur the line between what is called public and what is called private.

It works this way: Our individual functions of Government continue to grow. The Government has to have a foreign aid programme, the Government has to have a housing programme, the Government has to have an atomic energy programme. But each increase in function is confronted with our rooted American prejudice against having the Government "get into business." To resolve this dilemma, we try to fool ourselves by allocating public functions to private organizations, usually by the use of the Government's



contracting power. And so one of the largest divisions of the General Electric Company, an institution famous around the world as an example of successful private enterprise, is, in fact, a socialized industry—an Atomic Energy Division made possible largely by contracts, guarantees and indemnities which represent various forms of public subsidy to private enterprise. In somewhat the same way, and for similar reasons, we find every university heavily dependent these days on Government-financed research projects, especially in engineering and scientific fields but to some extent in the social-science field as well. We now find that in the housing programme, although houses are actually built by individual private contractors, the crucial margin of financial risk is largely absorbed by the Government. We find, with the defense programme running at something like one-twelfth of our Gross National Product, whole industries have grown up which are utterly dependent on bureaucratic decisions about the financing of war contracts—the aircraft industry and the units that produce missiles are notable examples. In the foreign aid programme an increasing number of private contractors are working for the Federal Government overseas, while maintaining their standing in the popular mind as “private enterprise.” As a private citizen I happen to be a member of the Board of Directors of one such enterprise, a company specializing in international economic development which (like some of its gigantic brothers and sisters in the airframe and electronics fields) does 100% of its business with a single Government agency.

The list could be indefinitely extended. Banking institutions, once the very heartland of the private enterprise system, now do an extraordinary proportion of their business in the form of Government paper, and slavishly follow the government's lead on the fixing of rates of interest. Most of the national taxes now collected in the United States are, in fact, collected not by the Treasury's Internal Revenue Service but by private industry and other non-government institutions, through withholding schemes and point-of-sale collection devices. In many, many different ways the Government is going into “partnership” with private business, a liaison in which the Government, not the business, is the enterprising, risk-taking partner. The moral is that the American public executive needs to have a much deeper understanding of how this curiously “mixed” economy of ours really works, than used to be necessary in the days when the ruling doctrine was “that government is best which governs least.”

The difficulty of deciding where to draw the line between “public” and “private” is compounded by the presence, within the executive

bureaucracy, of persons and agencies frankly representative of outside private interests. Within the Federal Government, many employees of the U.S. Department of Agriculture are quite openly and naturally regarded by all concerned including themselves, as a kind of farmers' defense league inside the executive branch of government. The Federal Power Commission, which regulates the power business both public and private, is not regarded as a neutral public-service umpire, but as a citadel to be won either by the public-power advocates or the private-power advocates. Similarly the National Labour Relations Board is regarded as a citadel to be won by labour or management; during the 1930's it was captured by the Congress of Industrial Organizations; now it has been captured by people with more of a management tinge to their thinking. More and more we have thus "institutionalized the inside track." By so doing we have confronted our public executives not only with the need for a deep understanding of how the system works, but also with an important obligation. With a legislature composed primarily of representatives of sectional interests and with an executive branch that is composed increasingly of agencies which have what you might almost call incestuous relationships with outside organizations, the concept of public interest tends to get blurred; in American slang, the public interest gets lost in the shuffle.

It therefore becomes more and more important (1) that the ranking public executive—the President, the Governor, the Mayors and chief executives—be an active leader, because they are the men hired by the people as a whole to take into account the situation as a whole; and (2) that the chief executive has at his command an adequate "generalist" corps of professional administrators, extending far down into the bureaucracy, whose primary dedication is to the public interest and not to sectional or economic or other partial interests.

I do not wish to imply that it is necessarily wrong for private interests to be, in effect, represented inside the government. In an "open" society, where nobody's word is the final law and all decisions are ultimately appealable to a majority of those voting in an election, it is probably inevitable that each group of citizens should undertake to make sure that its vital interests are protected by being trampled by other groups of citizens with other vital interests. Since the major questions affecting each citizen are ultimately adjudicated by governmental action of one sort or another, it is natural that the governmental decision-making process should become a free-and-easy battleground among those groups who feel their vital interests are at

stake in any particular matter of public policy. The American System has amply demonstrated its viability by making possible a fabulous economic growth while maintaining a fabulous degree of personal freedom for the individual. What concerns us here is the question : "What makes it work ?" And what I am suggesting is that the crucial element, the balance-wheel in the system if you will, is the personal character, the administrative understanding, and the professional skill of our public executives. The defence of the public interest, the task of making sure that no one private interest gains too much at the expense of the vital interests of other private groups or individuals, is entrusted especially to the top political executive and to the professional administrators on his staff. What makes them *professional* is precisely their live sense of the public interest and their complete independence of any outside interests for tenure in their job.

Perhaps it is misleading for me to speak so often of a "decision-making process". There is a sense in which a man in an important executive post never really makes a decision; what he does is to mediate a decision, finding a workable "next step" that serves the public interest as he sees it, strikes most of the interests involved as fair and reasonable, and does not so outrage any powerful interest that it can successfully appeal the "decision" to higher authority—whether that authority is an elective administrator or the electorate itself.

I was once responsible for supervising the work of a man hired to be a Division Director in Economic Co-operation Administration, the agency that managed the Marshall Plan aid to Europe and started technical assistance and economic aid programmes in a number of Asian countries. This man, a Californian, had been used to running a one-man show for 25 years, and he took the title of his new job seriously. He was Director, and he proceeded to direct everybody concerned with economic aid to the countries for which he was responsible. He soon found that most of the tools with which he was supposed to work were not in fact under his control; instead, they were scattered around under the management of commodity directors, directors of contract negotiation, controllers, lawyers, personnel directors, budget directors, and many others who had their own concept of their own responsibilities and certainly didn't regard themselves as subordinates of our new division director. After two or three months, the man came to me in my office and I knew that he would survive the test of survival in the executive branch of the Government. He said "I did not first really understand about my being Director of this Division. I thought that I was to direct the

programme. Now I think I understand it better. I am not supposed to make any decisions at all. On the other hand, I am supposed to make sure that the decision gets made. I am really a broker. Is that it?" "Yes", I replied, "that is precisely it." In the Federal establishment, the President, and the other chief executives at other levels of government, is the chief "broker." He needs enough professional "brokers" working for him, dedicated to the public interest, to make sure the whole machine operates "for the greatest good of the greatest number."

#### IV

To fulfill the obligation thus placed upon him, the American Public Executive means that he has to have certain important qualities. He must, of course, be imbued with public interest. He has to be at ease with this growing complexity. He will be wise to ask himself E.B. White's question with which we confront students in Public Administration on their very first day at Syracuse: "Have you considered how complicated things can get, what with one thing always leading to another?" Just think about that question for a moment. I would be prepared to say that if one lesson from our experience is transferable to India, it is this: unless a person is really in love with complexity, he will not be a first-rate practitioner of public administration.

The American public executive must also be a leader of men—with what Paul Appleby calls "sense of action." He has to know that it is always "his turn" to act. This is not easy for a professional public administrator to learn in a course of study in Public Administration; from the point of view of the central administration—the man who is using the personnel tool, the budget tool, the O & M tool, the administrative-law tool and the public relations tool to carry out a particular programme—these so-called "now to do it" courses sometimes look like "how not to do it" courses. It is the professional administrator's job to make sure that these potentially negative controls in administration are turned into positive supports for a programme. This is his main charge.

Next, the American public executive must be bright enough to do his own thinking. This may seem obvious. But many people who come into U.S. Government from other levels of activity harbour the illusion that they can delegate the planning and thinking-ahead function. Yet looking-ahead is one function which the top executive in the public service will delegate at his peril. In a private corporation it may work well enough to have a Vice President for research and development who does all the thinking, but in the Government this will not do.

Finally, the American public executive has to be his own public relations man. When a Senate Committee wants to know what your department is doing, it does not want your deputy with a mimeographed statement. It does not even want you with a mimeographed statement. The Senators will be glad to take that statement and put it on the record, but then they will say: "And now what we really want to know is *this*." In that atmosphere of a congressional committee, a department head or a Bureau Chief or a Division Chief—whether he is a civil servant or a political appointee, it makes no difference—has to be able to think on his feet. He has to handle his own relationships with the people, inside the Government and outside, on whose consent the programme he is administering depends. He cannot delegate this task. He must be his own public-relations man.

When Charles Wilson was originally appointed Secretary of Defence, you may remember that there was an argument about whether he would be forced to sell his General Motors stock in order to avoid a conflict of interests. In the course of this heated controversy on the subject there was a two-day hearing of the Senate Committee involved. After hours of gruelling testimony, the President of the largest private corporation in the world revealed how much he had learned about public relations at the age of sixty-two. "The thing that perhaps I overlooked myself", he mused, "was that not only did I have to operate honestly and fairly without prejudice, but all the people should also think that that was the way I was operating, and that part of it I did not quite appraise." It is a commentary on the difference between the qualities required for success in government and in business that this businessman had reached the top of the industrial pyramid without having "quite appraised" the ancient lesson about evil and the appearance of evil.

The contrasting example is that of Paul Hoffman—an unfair choice, perhaps, since Hoffman was once my own boss. Here was a man who handled his own public relations; his training as a salesman of Studebakers carried over into his successful salesmanship of the Marshall Plan while he was its Administrator. I remember his telling us once in staff meeting that we should answer every letter the day it came in, even if all we could say was that we would reply in detail later on. "When I ran a filling station," he went on, "I found that a man wouldn't wait for gas more than two or three minutes if nobody paid any attention to him. But if you gave him a big hello and explained that there were several cars ahead of him, he would sit there quite happily for a quarter of an hour!" This man had some

understanding of the problem of building a relationship with the consumer of any Government programme—the people.

If you think of the list of qualities essential for the Government executive in our system—that he must be imbued with public interest, that he must be at ease with complexity, he must be leader of men, he must do his own thinking and be his own public-relations man—you see how fruitless is the attempt to draw a sharp line between something called the “political executive” and something called the senior civil servant. The Second Hoover Commission has tried to draw such a line, with analytically disastrous results. The fact is that in our “open” society, where *all* government officials have both an internal management function and an external consent-building function, the line between “politician” and “administrator” can be drawn in a Report but cannot be sharply drawn—or, indeed, readily found—in the real world outside. You can say, “This man is in the job because of a political appointment; this other man is a member of the permanent civil service, and got his job by promotion from within under a merit system.” But this does not really tell you very much about the relative responsibilities of the two men. For in the American system both of them—the “political executive” and the “civil servant”—share both halves of the public executive’s job : they each have to rally political consent for their programme at the same time as they are helping to administer it. Our system does not operate like the British system; an understanding of American government is impeded by assuming that it does.

The features that are unique to American Government are the product of our size, the heterogeneous character of our nation, its many sections and many kinds of people plus the pervasive conviction among nearly all of them that man is free—and that the nature of his self-government should reflect that fact even at the expense of a certain surface orderliness. To go with a society both big and open, we must have a big Government that manages in spite of its size to maintain reasonably free access by all the people to its complex decision-making processes.

## V

Now the question I would like to leave with you is the following—and I ask it not because I have an answer but because I do not. Your Government in India is, broadly speaking, built on a British chassis. The model you have copied is the model of a somewhat aristocratic civil service, screened off from undue contact with the obligation to build political consent for governmental policy and programme. But your society is neither small nor homogeneous; it

is so large that you have already established a moderately decentralized system of administration—though to American eyes it still looks remarkably centralized. Nor is your society “closed.” Your own revolutionary drive for independence, your movement toward greater social equality and greater opportunity for the many; and the enthusiasm for rapid economic development which is dramatized in your Second Five-Year Plan—these trends preordain the character of India, as a dynamically “open” society. In these circumstances will you not be forced to move away from the British concept of administration—not toward ours, but toward an indigenously Indian system that has some of the features of our large, federal, and mildly chaotic administrative practice ?

You here have the challenge, as do we, of creating new institutions. We have our metropolitan-area problems; we suddenly have one per cent of our population overseas; both of these new conditions create for us new tasks of institution-building. You face challenges of equal interest to a student of administration, of even greater difficulty, certainly of equal relevance to the future of mankind.

You have the opportunity—indeed, the obligation to yourselves—not to copy anybody else’s institutions, but to invent some of your own, taking from others only what you need, not what they think you should have. You have the opportunity—not always grasped in your society or in ours—of addressing yourselves to the problems to be solved rather than to the doctrines to be debated. Your problem is not to decide that tired old question, whether you will have a system of socialism or capitalism. You won’t get either one. By the time you get through, your system of administration will look so different from either of those anachronistic doctrines, based as they are on nineteenth-century European models that have long since been swept away by events, that you will have to invent a new name for India’s theory of government. And a good thing, too. The world is perishing for lack of usable new political theory.

As you approach the task of building Indian institutions to solve Indian problems, I will presume to bring you from the Maxwell School only one scrap of technical advice. Look again at Alexander Pope’s *Essay on Man*, and persevere until you come to the famous couplet which can both justify and inspire your new Indian Institute of Public Administration :

“For forms of government let fools contest;  
Whate’er is best administered is best.”

## PUBLIC ENTERPRISES AND PARLIAMENTARY CONTROL

Balvantray Mehta

*(The article on "Accountability in the Corporate Sector" by Shri D.L. Mazumdar, I.C.S., in the last issue of the I.J.P.A., dealt with the subject primarily from the angle of internal administration. In the present article the matter is examined by a well-known public man and legislator as a problem of external control.—Ed.)*

THE concept of state enterprises as a tool in the economic development of a country is not of very recent origin. While its actual development in this country, except for Railways and Post and Telegraphs, virtually took place in the period following the attainment of Independence in 1947, the idea of developing key industries through public ownership is much older; it undoubtedly agitated the minds of many political leaders in India even before Independence. Underlying all these early ideas and subsequent action, especially the appointment and work of the National Planning Committee appointed by the Indian National Congress under the chairmanship of Shri Jawaharlal Nehru, was the long-felt urge for economic development of the country. However, the issue of public *vis-a-vis* private sector was not seriously posed during these early considerations; it was the Government's Industrial Policy Resolution of 1948, which, for the first time, enunciated the respective roles of state and private enterprises in the economic development of the country. Later, the approach and objectives were defined in the Directive Principles of State Policy which were enshrined in the new Constitution of India. It was laid down, *inter alia*, (i) that the ownership and the control of the material resources of the community should be so evenly distributed as to subserve the common good, and (ii) that the operation of the economic system should not result in the concentration of wealth and means of production to the common detriment. These principles were given a more precise form when Parliament accepted Socialistic Pattern of Society as the national objective of social and economic policies. Besides, the approach had to be governed by practical considerations also, especially since, in view of the extent of underdevelopment of the country, it was apparent that a large number of industries would have to be started at the same time, many of which would be of a monopolistic nature. Thus, the political goal as well



as the need for planned and rapid development required that all industries of basic and strategic importance, as well as others which are necessary and require considerable investment, be publicly owned. The various schemes in regard to the expansion of the public sector in the Five Year Plans are directed towards the realization of this objective. The extent of growth and the importance of the public sector in the last ten years may be judged from the fact that some 45 concerns with a capital investment of Rs. 275 crores, besides a smaller number managed departmentally, have been started by the Central Government to manage public undertakings during this period. With the purposeful expansion of the Public Sector as part of the national policy there is no doubt that it will progressively play an increasingly important role in governmental activities as well as in the national economy.

### **The Forms of State Enterprises**

Organisationally, the undertakings in the public sector may work under the conventional departmental system of management or may *generally* be given, in keeping with modern trends, a corporate status. While the former would be set up and would function in the same manner as any government department, the latter would be established either by an enactment of the Parliament or by executive action under the Companies Act with funds voted by Parliament. The principal advantage in setting up corporate bodies outside the purely governmental sector is that they possess autonomy and flexibility to facilitate smooth and efficient working on business principles and are free from the hampering procedures and influences traditionally associated with Government departments. The intention, therefore, in giving public enterprises a corporate form, is to quote President Roosevelt, that they would be "clothed with the power of Government, but possessed of the flexibility of private enterprise", so as to combine the advantages of private enterprise with public responsibility.

### **Justification for Parliamentary Control**

While Governmental control and, therefore, Parliamentary control, over departmentally managed undertakings can be as complete and as effective as desired by the Government and Parliament, the corresponding position in respect of the corporate and other autonomous undertakings requires careful consideration. The accountability to Parliament is, no doubt, the fullest in the case of government departments and departmentally-managed units, and adequate checks and counter-checks have been provided both within the governmental

machinery and by Parliament to ensure that the funds allotted to them are utilised reasonably well. The position is, however, fluid in the case of public undertakings managed by autonomous bodies. It has to be appreciated that public enterprises, even though autonomous for purposes of day-to-day administration and functioning, form an integral part of the governmental activities. Having initially provided the funds required to set up the undertakings and having bestowed on them the necessary autonomy and flexibility in operation, Parliament has a responsibility to see that the funds are utilised properly and efficiently, as in the case of departments and units in the purely governmental sector. This is the least that Parliament owes the people whose chosen representatives sit in it. In fact, one might even argue that, considering the size of public funds provided to these bodies and the implications of the autonomy allowed to them, Parliament has a greater duty and responsibility in regard to the corporate enterprises than in the case of departmental units. The principle of the accountability of publicly-owned autonomous undertakings to Parliament, and through it to the public, has, therefore, to be accepted; it cannot be made a matter of controversy.

The difficulty comes in, however, when the principle is to be given practical shape, and, also when its form and extent have to be defined. This question has engaged the minds of several authorities, particularly in the United Kingdom where the Labour Government undertook extensive nationalisation to socialise various key industries. Some authorities held that Parliament by creating corporate autonomous enterprises had passed a self-denying ordinance in regard to their accountability as well as the control to be exercised over them, except in regard to those powers which were reserved to be exercised by authorities directly responsible to Parliament, and also that prying into the affairs of these bodies would dampen their initiative and enterprise and thereby affect their efficiency. Others contended that adequate control by Parliament over corporate state enterprises to ensure their accountability was desirable in the interest of their efficient management itself. It is, however, evident that in order to ensure the healthy growth of these enterprises and their efficient functioning, as well as to secure the maximum benefits from the public funds spent on them, a golden mean between the two extremes of *laissez faire* and excessive interference has got to be found. Having set up these enterprises on a slightly different organisational pattern, Parliament naturally has to allow a certain amount of flexibility in regard to the control to be exercised by it from time to time, the nature, extent and form of control varying with the nature of public enterprise, the stage of its progress and other relevant circumstances. Further,

having made it obligatory on these undertakings to function on business principles, Parliament has obviously to take into account the implications of these principles and observe proper discretion in exercising control over them. Parliament, however, has got to be ever-watchful and vigilant in exercising the optimum amount of its control effectively.

### **Accountability of the Minister**

A question that arises in connection with the accountability of autonomous public undertakings relates to the responsibility and the answerability of the Minister concerned to Parliament in regard to the activity pertaining to a particular undertaking. Certain powers are reserved to Government by Parliament in the statutes under which corporate enterprises are set up. These invariably include the power to appoint the governing body of the undertaking; the power to sanction increase in capital, as also to limit borrowings; the power to sanction expenditure for expansion schemes above a certain limit, etc. In certain cases, especially where the public is directly concerned, it has even been considered desirable for Government to control the price structure. Besides these specific powers, the Government is also invariably empowered to give directions to corporate enterprises. This power is evidently given to ensure that these autonomous enterprises do not function in a manner inconsistent with the governmental and national policies. Further, in actual practice it might not be possible for a Minister to confine himself to the limits of duties prescribed in the statutes. Thus, the Minister concerned has a fairly wide authority in controlling as well as in guiding the policies of the undertakings, and in ensuring, in an overall manner, their efficient functioning. In the last analysis, the Minister also has the power to change the Boards if he is not satisfied with them or their policies.

As early as 1948, Mr. Gaitskell, a member of the then Labour Government in U.K., declared that the Minister should accept responsibility for the general success or failure of the enterprise, and that Parliament, if dissatisfied, could call him to account for not appointing suitable Board members or for not issuing necessary directions to them. Thus, the answerability of the Minister in regard to the affairs of these autonomous undertakings could be quite extensive. However, while one would expect the Minister to keep himself well-posted, by suitable means, with all the important affairs of corporate state enterprises; in view of the autonomy allowed to these enterprises, it would not, however, be in order to hold the Minister responsible in regard to matters of detail or day-to-day administration. But Parliament would be justified to make the undertaking itself responsible for these matters. While the Minister concerned would still be

the link between the Parliament and the undertaking or even its spokesman, when necessary, there is need for a more direct relationship between Parliament and the undertakings. Suitable machinery would naturally have to be devised for this purpose.

### **Means of Ensuring Accountability**

The direct accountability of autonomous state enterprises to Parliament can be strengthened by providing, in the relevant statutes, for the submission of the Annual Reports and Accounts directly to Parliament and also by insisting on the maintenance of accounts in a form to be prescribed in consultation with, and their audit by, an independent statutory authority like the Comptroller and Auditor-General as well as the submission of his audit report to Parliament direct. The Audit and the Annual Reports, if detailed and informative, as in the case of some of the nationalised industries in the United Kingdom, can be particularly helpful in ensuring proper accountability. The statutes setting up the enterprises may, as well, include additional safeguards, such as the appointment of consultative committees and advisory boards with non-official and experts as members.

Other media at the disposal of Parliament to ensure accountability are questions, debates on budget of the appropriate Ministry or Department and Parliamentary Committees. The right to ask the Minister concerned questions in regard to an undertaking might cover a wide field than that of the statutory responsibilities of the Minister; supplementary questions would naturally provide further opportunity to ask for detailed information. It would be desirable not to limit the right to ask for information in Parliament in regard to corporate state enterprises on the ground of their autonomy, since Parliament is entitled to have it. At least, the Minister should act as the link between the undertaking and Parliament in supplying the information it wants.

Debates concerning the activities of a Ministry or the undertaking, such as during budget discussion or during discussion on an amendment to the statute setting up an undertaking or an adjournment motion, etc., also provide a useful opportunity for Parliament to exercise control over public enterprises. Equally, and even perhaps more, important is the scrutiny of their working undertaken by the Public Accounts and Estimates Committees of Parliament. The Public Accounts Committee has been successfully examining their Annual Accounts and Audit Reports, laid before Parliament. The Estimates Committee in India, as in the U.K., has never confined its examination to a superficial and often fruitless examination of

estimates but has interpreted its terms of reference broadly to include a survey of governmental activities, past, present and future, which represent the real results of the estimates and expenditure. It examined the estimates and activities of the Damodar Valley Corporation as early as 1953-54. In later years it examined the work and activities of about 12 autonomous public undertakings including the Hindustan Shipyard, Hindustan Machine Tools, Bharat Electronics, Indian Airlines Corporation, Air-India International and Hindustan Aircraft ; it is at present examining the operations and working of the Indian Telephone Industries and Hindustan Steel Ltd. as also the Oil and Natural Gas Commission. As early as 1955 the Committee made an 'unorthodox' report on the organisation and management of public undertakings; the importance and usefulness of the major recommendations made therein has been amply proved by the developments during the last few years. While examining the undertakings mentioned above the Committee made no attempt to exclude any aspect of their working from its purview merely on considerations of their autonomy because their accountability to Parliament is absolute; nor did the Committee confine itself only to the published Annual Reports and Accounts. It asked for information that it considered relevant to its study; and in a majority of cases it received the information it asked for fairly promptly from the undertakings. The Committee's reports bear testimony to the thoroughness with which it examined the working of the undertakings, pointed out organisational, financial and operational defects wherever they were noticed and suggested improvements. It will be generally agreed that the Committee's approach has been helpful to Government and undertakings alike, being constructively critical.

### **Accountability in the U.K.**

The control devices described above have also been available to Parliament in the United Kingdom where there are a number of nationalised industries. However, certain restrictions in regard to the matters to be raised in the House were observed, and also the Estimates Committee did not undertake an examination of an undertaking unless there was a grant or subsidy for the purpose in the governmental estimates of the undertaking. The Parliament in the United Kingdom was apparently not satisfied and there was a persistent demand for more information in regard to the undertakings as well as for better means to ensure accountability. The British Parliament, therefore, appointed a Select Committee to go into the matter. It examined a number of witnesses, including Members of Parliament, the Comptroller and Auditor-General and the Chairmen of the

Boards of the nationalised industries. After considerable deliberation, the Select Committee recommended that a Standing Committee of the House of Commons should be set up to examine the working of the nationalised industries with particular reference to their published reports and accounts and also by obtaining further information as to their general policy and practice. The Committee was also to report to Parliament from time to time with a view to keeping it continuously informed of the public policies and progress of activities of nationalised industries but not for purposes of controlling their work. A Select Committee, as recommended, was accordingly set up, though apparently not without misgivings. In the early stages the Committee had some doubts in regard to its terms of reference, especially in regard to matters other than that relating to ministerial responsibility. However, it has since examined two nationalised industries almost wholly with reference to their published annual accounts and reports and has submitted one report.

### **Comparison between U.K. and India**

A proposal for the setting up of a Select Committee similar to the Select Committee on Nationalised Industries in the United Kingdom was mooted in Indian Parliament sometime in 1953 and 1956. During discussion the role and the work of the Estimates Committee in this connection was appreciatively referred to, and as a result, the proposal was not pressed. Eventually, the Speaker ordered that a Sub-Committee of the Estimates Committee might continuously examine the working of the undertakings in the public sector. The Committee made a beginning in this direction in 1957 and in course of time will naturally extend its activities to a larger number of undertakings. A comparison of the means at the disposal of Parliament to secure accountability of the autonomous public undertakings in India and in the U.K. will show that the two are almost on par. There has been considerable hesitation in both the countries in extending the scope and the extent of accountability on the ground that it will affect the administrative independence of the undertakings, which would, in turn impair their operational flexibility and efficiency. Here one important difference between the public undertakings in the U.K. and those in India deserves to be taken note of. Most of the nationalised undertakings in the U.K. consist of industries which existed in the private sector prior to nationalisation and were taken over as running concerns. Most of them are run with the administrators and executives belonging to those industries. On the other hand, in India, except for a few undertakings like the Air Corporations,

the State Bank and the Life Insurance Corporation, apart from the Railways in their early years, most of the other autonomous enterprises have been newly set up. There is a dearth of competent administrative and technical personnel with experience of industrial and financial management required for these undertakings. Further most of the corporate enterprises in India are also functioning on a monopolistic basis. It would not, therefore, be right to feel complacent in regard to the extent of accountability and control exercised in India merely by a comparison with the position in the U.K.; it might be worthwhile to examine also what means other democratic countries have adopted for the purpose.

### **Accountability in France**

In France the public sector is fairly extensive. It includes certain mixed enterprises in which the government shareholding varies from 3% to 99%. Apart from the usual means of questions and debates, the French Parliament has developed certain special devices to ensure greater control over public enterprises. In the original statutes setting up the nationalised industries no machinery was provided for direct parliamentary supervision over such enterprises. This lacuna, however, was soon recognised and gradually removed. By far the most important device for this purpose is the setting up of a Sub-Committee of each of the Finance Committees of both Houses to follow and examine the functioning of the nationalised enterprises. Their major function is to make information available to the Finance Committee and to the French Parliament. They have submitted a few general reports but a number of special reports. They are reported to be working towards making parliamentary control of nationalised enterprises really effective. Again, in France, the budgets of undertakings requiring subsidies, grants, etc. from the State are required to be annexed to the main budget of the State and are approved by the Parliament along with the latter. These annexed budgets naturally include information about the investment programmes of the industries as well as their annual programmes of new works to be undertaken. The French Parliament also fixes the maximum annual expenditure on investment, whether to be financed through public sources or by the undertakings themselves. The Members of the French Parliament are further able to follow the progress of work and the methods of finance by means of two comprehensive reports, viz. the Economic Report and the Financial Report published annually as annexures to the Finance Bill. There is also an important juridical control exercised by an extra-Parliamentary supervisory body, namely,

the Public Undertakings Audit Board, the principal duty of which is to examine the accounts of all the undertakings in order to ensure uniformity in their maintenance and to audit them. A certain amount of administrative control is also exercised by a State Controller who reports to the Minister of Finance and Economic Affairs and submits his views on the detailed proposals and decisions of the enterprises. An eminent authority has observed that though the French Parliament has powerful means at its disposal for the control of public enterprises and though they investigate thoroughly any matter which has aroused public concern, there was little evidence to show that as a result the efficiency of public enterprises in France had suffered or their initiative of management has been impaired.\*

### The Position in U.S.A.

In the United States of America there are a number of government corporations set up as autonomous bodies under the Acts of Congress. No such corporation can be set up without congressional approval. The activities of these corporations are considered to be part of the executive activities of Government and the President has legal authority to give administrative and executive directions to the corporations. The Congress has power to investigate their activities and to receive information about them through its Committees. The Government Corporation Control Act, 1945, provides for a number of measures to ensure proper congressional control. One important requirement is that the corporation should submit annually business-type budget to the Congress through the Bureau of the Budget which has the power to review them. These budgets constitute a part of President's Budget and are subject to the usual process of review by Congressional Committees. The Congress, while approving the business-type budget in general terms, fixes a ceiling on the administrative expenses. In addition, accounts of the government corporations are subject to the audit of the Comptroller-General and the General Accounting Office, but it has also been prescribed that the audit is to be conducted on the lines of the audit conducted for commercial and industrial bodies. The Comptroller-General is also required to make independent reports on the Corporations to the Congress. These are naturally taken into account by the Congressional Committees while approving the budgets of the Corporations. Similar provisions in regard to audit exist in the case of mixed ownership enterprises where part of the funds have been provided by the State. The Congress in the U.S.A. has thus also made substantial

\* F. Ridley: "Parliamentary Control of Public Enterprise in France" (*Parliamentary Affairs*, Summer '57)



provisions to ensure the accountability of the autonomous corporations and to exercise effective control over them.

### Conclusion

The above survey of the position in regard to Legislature of the U.K., U.S.A. and France shows that they have adopted several important devices by which autonomous public undertakings, which form an integral part of the governmental activities, do not escape parliamentary control and accountability and that some of these are of a fairly radical type. If the initiative and efficiency of the public undertakings has as a result not been impaired in these countries, there is no reason why any fears should be entertained in ours. As observed earlier, Parliament in India, particularly its Estimates Committee, have in recent years come to exercise considerable control over state enterprises. The examination of their activities and working at five to six years' intervals by the Estimates Committee would undoubtedly go a long way in establishing effective parliamentary control over them. The Committee would also incidentally be an additional safeguard and a link in providing a healthy relationship between Parliament and the enterprise.

There are however, several directions in which the accountability of autonomous state enterprises can be improved. *First* of all, the Annual Reports and Accounts of these undertakings as also their Audit Reports should be far more detailed and exhaustive than at present, so that they may be self-contained documents on which discussions can usefully take place. Every activity of the undertaking—organisational, operational, productive, financial, personnel, etc.—should be described. The financial results of each activity should also be explained. Directions given by Ministers may be specifically mentioned. *Secondly*, there should be regular debates in the Parliament on state enterprises but at fairly long intervals. *Thirdly*, the enterprises may be required to prepare business-type budgets which might be annexed to the main Budget of the State and be approved in general terms along with the latter. In the *fourth* place, Consultative and Advisory Bodies and Consumer Councils should be established wherever possible and required to submit periodic reports to Parliament. A *fifth* improvement would be in the direction of setting up Efficiency Audit Units, more or less of a technical nature, to evaluate progress in technical spheres every five years or so, with powers to report directly to Parliament.

The importance of observing certain restraints, such as respecting operational flexibility and business principles, while exercising parliamentary control, has already been stressed. There can, however, be

no dogmatic approach in regard to the devices to be adopted to ensure accountability or the precautions to be observed in securing it. Ultimately, the form and extent of parliamentary control, if it is to be effective, has to be worked out individually for each public enterprise; it is difficult to evolve a pattern of control which will apply equally to all cases. But Parliament cannot afford to relax in its attempts to ensure the optimum accountability, consistent with efficiency, of state enterprises. With this end in view it would be worthwhile for Parliament to profit by the experiences of other countries and to continuously review and perfect the tools of control over public undertakings at its disposal.



## RECENT DEVELOPMENTS IN MANAGEMENT TRAINING

Charles A. Myers

ONE of the principal bottlenecks to rapid economic development is the persistent shortage of high-level human resources. These include government planning and administrative officials; engineers, scientists and technicians, and, equally important but not always recognized, managerial personnel for both private and public enterprises. Successful industrialization, in fact, depends as much on competent managers at all levels of an enterprise as it does on capital resources. Modern technology can be imported by a developing country until its own industry can supply its needs for capital equipment. But the importation of technical and managerial skills is only a stop-gap solution. Industrialization requires the investment of resources by a country in training its own high-level manpower as well as in the building of dams, roads, steel mills, heavy machinery plants, and other accoutrements of modern industrialization.

If these propositions are valid, as I believe they are, then recent developments in management training in India are encouraging evidence of India's determination to meet this need for high-level managerial resources. The impressions reported in this article grow out of a month's visit to seven industrial centres during January and February, 1958, in connection with a separate assignment for the Ford Foundation. They are evaluated against the background of a five-year research study of management and labour in India's industrialization effort, begun in 1952 and recently completed.\* The striking thing to me was the change I observed between 1954-55, when I spent over five months in various Indian industrial centers, and this past January and February when I re-visited many of these same centers. There is greatly increased activity in the management training field, and what is more important, there is more widespread recognition of the importance of this activity for the success of India's development plans. Perhaps this recogni-

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\* Charles A. Myers, *Industrial Relations in India*, Asia Publishing House, Bombay, 1958. (Also published as *Labor Problems in the Industrialization of India*, Harvard University Press, Cambridge, Massachusetts, 1958). See particularly Ch. 6, "The Managerial Response". This study is part of a larger Inter-University Study of Labour Problems in Economic Development, covering a number of countries and involving faculty members of the Universities of California, Chicago, Harvard, Princeton and the Massachusetts Institute of Technology, financed in large part by a research grant from the Ford Foundation, U.S.A.

tion has not yet reached the highest quarters in Indian industry—private or public—but the interest is growing.

## A SURVEY OF CURRENT PROGRAMMES

The following programmes for management training and development in India are among the most important which have come to my attention. They are not necessarily listed in order of importance, and the comments on each are intended to be impressionistic rather than definitive.

**1. Post-graduate Management Training Programmes at Seven Universities and Technical Institutes.** This programme grew out of the recommendations of the Board of Management Studies of the All-India Council for Technical Education, under the direction of the Ministry of Education. The initial proposal was for courses in Business Management at the schools or departments of economics at Delhi University, University of Bombay, University of Madras, and the All-India Institute of Social Welfare and Business Management (affiliated with the University of Calcutta); and for courses in Industrial Administration at the Indian Institute of Technology (Kharagpur), the Indian Institute of Science (Bangalore), and the Victoria Jubilee Technical Institute (Bombay). Some of these programmes got underway in August, 1955, but subsequently the Courses Committee of the All-India Board of Technical Studies in Management rightly decided that the distinction between *industrial* administration and *business* management was largely a false one, and that the programmes at the seven institutions should emphasize the principles, practices, tools and techniques of management which are common to all enterprises, whether business or industrial, public or private. A separate course in industrial engineering, emphasizing such aspects of industrial management as production engineering, work study, etc. is provided, and properly centred at the institutes of technology.

Most of these post-graduate management training programmes cover three years of part-time evening work, and are confined to junior managerial personnel now employed in industrial and business establishments. These are the men and women who can benefit most readily by this training, and can apply what they learn immediately to their own work—provided it is realistic and related to their own problems. Here the most important need is to expand and strengthen the teaching staff, not only by adding to the full-time staff, but by drawing mature people from industry who can share their experience with younger management trainees in these programmes. Some

institutions have been able to do a better job than others, and some have begun to collect case materials from Indian industry to enrich the teaching programme. But the relation between the empirical research on business and industrial problems and the quality of the teaching is not fully appreciated, largely because of lack of staff, time and funds for this type of field research. Some steps are being taken to remedy this situation, but much remains to be done.

**2. The Administrative Staff College of India at Hyderabad.** This opened in September 1957 with thirty middle and senior management and administrative officers sent by their organizations for the first three-month residential study programme. The recommendation for the establishment of the College, patterned after the Administrative Staff College in England, was made in June 1953 by an expert committee appointed by the All-India Council for Technical Education; and a Planning Committee, headed by Mr. T.T. Krishnamachari, then Minister for Commerce and Industry, prepared the detailed plans. The booklet on the College, published in February 1957, succinctly states the importance of training high-level human resources in its discussion of "Objects and Aims of the Staff College" :

"As industrial and commercial enterprises as well as the activities of the Government become increasingly wide-spread and complex, the administrators in charge are required to show a capacity 'to hold in mind a total and perhaps distant situation, to plan ahead imaginatively and firmly and yet with the necessary margins, to assemble in the right relations, and at the right time, diverse material and human resources, to take consistent decisions on points of detail and in turn to see that their junior executives in their several spheres know how to do the same.' In short, every large enterprise calls for the constructive skill and technique of leadership, policy making and planning which are not simply gifts of nature. Training is necessary."

"There are certain fundamental principles of organization and administration which are common to quite different types of activity. These principles can and should be taught. Instead, they are at present laboriously and inadequately acquired by individuals by a process of trial and error. Far better results can be obtained if these principles are taught to those who possess some relevant experience and are fitted for higher administrative posts."

In line with these aims, the College uses the "syndicate method" of training developed successfully at the Administrative Staff College in England. This differs from the "case method" developed and widely popularized by the Harvard Business School, and from other management training methods in use at other American universities. But my own view, after participating in some of the syndicate sessions in Hyderabad and elsewhere, is that this approach is ingenious, thought-provoking, and helps develop the kind of skills and insights described above. The case method may be equally useful, as are other methods, but it is a mistake to consider any *one* management training approach or technique as the only road to success—as sometimes the over-enthusiastic proponents of the case method tend to do. The same danger needs to be guarded against in the syndicate method, and I believe the Administrative Staff College at Hyderabad is well aware of this.

As this is written, the first group at Hyderabad has completed the programme, and a new larger group nominated by their enterprises and government departments will begin the second session. Eventually, three groups of sixty will constitute the year-round programme of the College. The composition of the first group represented a cross-section of the administrative and managerial talent of India, as the following tabulation indicates :

Central government ministries and agencies	7
State government departments	3
Public corporations and enterprises	6
Private enterprises	14

Some were managing directors and general managers; others were sales managers or officials, secretaries, staff officers, deputy commissioners, superintendents, branch managers or engineers. As in most similar groups, the learning process benefited as much from the exchange of experience and insights as it did from the formal content of the programme. This College, with its beautiful quarters at Bella Vista in Hyderabad, is at present the only high-level residential management training programme in India, and it deserves the full support of business firms, public enterprises and Government.

**3. Advanced Management Course, Calcutta.** This is held at the All-India Institute of Social Welfare and Business Management, and it was organized by a group of top managers from fourteen European and American firms in Calcutta, with advice from Col. L. Urwick, the well-known British management consultant, who visited India under the auspices of the Colombo Plan in the winter of 1956. The

course is conducted by the syndicate method, under the general guidance of an executive of an American firm, and is aimed at men who have been a minimum of 5-8 years in business and who are at least 30 years of age. The first group, which concluded the three-month part-time programme of Fridays and Saturday morning in January 1958, included mostly Indian middle management officers and a few European personnel of the companies having international connections. This programme impressed me as valuable to the participants with whom I talked, and it should be continued.

**4. Indian Management Association, and Local Affiliates.** The establishment of the Indian Management Association, with headquarters in New Delhi, in 1956, was the culmination of a long effort by various local management groups to give greater standing and recognition to the profession of management. Among the earlier active local management associations in 1954-55 were the those in Bombay, Delhi and Bangalore. In June 1957, the Indian Management Association sent its first delegation to the International Management Congress in Paris, and India is now a full-fledged member of this international body.

To date, the All-India Management Association has neither the staff nor the facilities to undertake a programme of management seminars and conferences similar to those conducted by the American Management Association or the British Institute of Management, for example. But the local groups, particularly in Bombay, have developed an active year-round programme of meetings, seminars and residential study courses. I participated in the Bombay Management Association's Residential Study Course in Poona in February 1958, and was favourably impressed with the quality of the thirty-seven middle and senior management officials, almost all from private enterprises, who participated in the week-long programme. Lectures, seminars and study groups were used effectively. The Bombay Management Association's programmes could well serve as a model for other management groups in India.

**5. Training Within Industry (T.W.I.) Programme of Supervisory Training.** This began in 1953 with T.W.I. specialists provided to the Ministry of Labour by the International Labour Organization. The first programme was in Ahmedabad, where a number of mills affiliated with the Ahmedabad Textile Industry's Research Association (A.T.I.R.A.) co-operated in designating Training Officers who would be trained to conduct T.W.I. courses (Job Instructor Training, Job Methods Training, and most important, Job Relations Training) among the supervisors in their own mills. The success of

the programme depended on the extent to which the top management of each mill really supported the idea of supervisory training, and seriously provided follow-up and implementation. Subsequently, the T.W.I. programme was extended, through a T.W.I. Centre established under the direction of the Chief Adviser for Factories, Ministry of Labour, to a number of other industrial centres. Some 69 Training Officers from 55 industrial enterprises, both private and public, and from Government departments were trained to conduct T.W.I. programmes in their own organization.\*

Altogether, the T.W.I. programme has been one of the more effective technical assistance programmes of the I.L.O.; although the I.L.O. Productivity Missions, tied in with the Productivity Centre established by the Ministry of Labour, also conducted some management training programmes in various centres. Whether these programmes will be as effective and as influential as they have been in the past is in some doubt, partly because of the departure of some of the key personnel and apparent lack of support for the expansion of these activities. Perhaps the new National Productivity Council, with regional councils, under the direction of the Ministry of Commerce, will fill the gap, but the relations between these bodies and the National Productivity Centre in the Central Labour Institute first sponsored by the Ministry of Labour is not entirely clear.

**6. Other Special and Functional Training Programmes.** In addition to the above, there are a growing number of other management training programmes which deserve mention. Outstanding among these is the annual Management Conference held each year since 1955 by the Ahmedabad Textile Industry's Research Association. This is a remarkable and impressive organization, which has its own separate Human Relations Division doing research and consulting work in management and labour problems. The fourth Management Conference on February 7-9, 1958, attracted nearly 600 management people from several industrial centres in addition to Ahmedabad, and provided an opportunity for discussion of such topics as wages and wage systems, worker participation in management, organization and control problems of management, social implications of technical change, and reports of field study teams of young executives on particular managerial problems. In addition, A.T.I.R.A. has also sponsored separate management training programmes, using the case method and field trips.

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\* For further discussion of the TWI programme, see *Development of Supervisory Training in India*, T.W.I. Centre, Ministry of Labour, Government of India, Bombay, 1957.



Another excellent programme for Works Managers and other managerial officials was conducted on a residential basis for several weeks each in 1954 and 1955 at the Indian Institute of Technology, Kharagpur. In February, 1958, the residential course was centred on "Management for Higher Productivity." I.I.T. also inaugurated, in 1954-55, the first full-time post-graduate industrial management course in India, with a small group of students from government and private enterprises.

Several management consulting firms, particularly in the Bombay area, have offered part-time and residential management courses and seminars. Among these were the "refresher course" in management organized by Associated Industrial Services, the residential hill-station programme by the Modern Management Council, Bombay, and the "Top Management Programme in Managerial Performance" offered in Bombay between February 17 and March 8 by Personnel and Productivity Services. The field of management consultancy is new in India, particularly in this aspect of managerial structure and development, but the process of industrial growth will increasingly require the kind of service that competent management consultants can give. The danger is, of course, that quacks and charlatans, who promise much but perform little, will give the profession of management consultancy a bad name.

The growing interest in staff colleges and training centres run by some of the larger firms for their own managerial development also deserves mention. Among these are the Tata Staff College in Poona, which grew out of two previous Tata Managers' Conferences covering all Tata enterprises; the Basics of Supervision and Conference Leadership programme run by Standard-Vacuum Oil Company and the Burmah-Shell staff training centre at Juhu in Bombay and a number of others.

Finally, in one of the important functional areas of management—personnel management—the Indian Institute of Personnel Management has organized through its branches a number of regional conferences on special problems, such as discipline in industry, in addition to the annual conference which draws a large number of personnel and labour welfare officers from all over India. The 8th Annual Conference was held in New Delhi on February 7-9, 1958 with the theme : "Industrial Relations in the Public and Private Sectors". Discussions were centred on (1) ways and means of developing direct negotiation, joint consultation and co-operation in industry, and (2) problems of discipline and grievance procedure. The currently lively topic of "Worker Participation in Management" was also the

subject of a special tri-partite conference called by the Ministry of Labour in New Delhi on January 31-February 1. To the extent that the Seminar resulted in an exchange of experiences, it was a form of "management education" for both the management and labour representatives present.

Training programmes for labour welfare officers have been offered for some years at such institutions as the Tata Institute of Social Science in Bombay, the All-India Institute for Social Welfare and Business Management in Calcutta, the Delhi School of Social Work at the University of Delhi, and the Xavier Labour Relations Institute, Jamshedpur. In fact, the Factories Act requires that labour officers be employed by firms with 500 or more employees, and that they be graduates of approved courses. This requirement is almost unique to India, and, while the legislation may have given a boost to the employment of labour officers, it is not so certain that their acceptance by and usefulness to management is thereby increased.\* Some of the institutes have made a real effort to improve the quality and content of their instruction, and some have plans to undertake research which would help relate teaching content to current problems. As in the broader management training programmes, the interrelation of teaching and research needs further development.

**7. Training of Government Administrators.** In addition to the Administrative Staff College, training in administration will be provided in a new programme to be inaugurated in October 1958, by the Indian School of Public Administration which is being organized under the auspices of the Indian Institute of Public Administration. Unlike the Staff College, which takes only presently-employed government officials, the new School will also provide a two-year full-time residential post-graduate course for those who intend to enter the public services, teaching, or public life, and about 50 students will be accepted for each course. Some short-term courses for those already employed are also projected.

In the field of in-service training, the trend is towards broad-basing the training programmes, bringing back the trainees to the training schools for a short period after they have completed field work forming a part of their institutional training, and the organisation of refresher courses. Refresher courses for officers directly recruited to the Indian Administrative Service with 6 to 10 years' experience, and those promoted to the I.A.S. from the State Services, is now a regular feature of the training activities of the Union Ministry of Home Affairs.

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\* For further discussion, see Myers, *Industrial Relations in India*, Chapter 7.

Similar courses for state administrative officers are also being organised in some States. The Indian Institute of Public Administration held last year a refresher course in Public Personnel Management for the benefit of junior personnel officers of Central Ministries, and proposes to intensify its activities in this sphere. The Central Government has recently decided to set up a National Academy of Administration for training of civil servants. The Academy will provide (1) a common background and foundational course for direct recruits to the all-India and the Class I Central (non-technical) Services, (2) a course of professional training to direct recruits to the I.A.S., (3) the refresher course which is at present being provided at the I.A.S. Staff College at Simla, and (4) short courses and seminars for the benefit of senior officers. The object of the common background and foundational courses would be to develop in the trainees an understanding of the constitutional, economic, social and administrative framework within which they would have to function, as well as to develop among recruits to different services a feeling of belonging to a common public service and a broadly common outlook. In due course, the separate training programmes for the various services also may be concentrated in this National Academy of Administration.

### WHAT REMAINS TO BE DONE

This summary of management training and development programmes indicates the growing interest in professional management in India, and it is an impressive record by any standards. These programmes show that the Government of India and many private enterprises are aware of the need for developing the skills and vision of supervisors, junior managers, middle managers and even some senior managers. Some programmes are better than others, as the earlier comments in the survey of existing programme indicate. Furthermore, these programmes do not yet reach the very top echelon of managerial responsibility in Indian industry, or in the autonomous public corporations. The philosophy and practices of some top management people in India, particularly the more speculative type of managing agents, are hardly adequate for rapid industrialization in a democratic society in the twentieth century. Furthermore, the special skills and competence of *industrial* management are not yet widely understood in some of the public enterprises. Three years ago there was much talk about the establishment of an Indian Management Service, to which persons with experience or training in industrial management might be recruited for assignment to managerial positions in public enterprises. So far as I could learn, this Service

has not yet been established, on an active basis.\* Perhaps a special in-service training programme for these recruits should be established, but they would also benefit from attendance at one of the post graduate business or industrial management training programmes at one of the seven universities mentioned earlier. More senior candidates should certainly attend the Administrative Staff College, as central and state government officials did in the first session in 1957-58.

Further residential post-graduate managerial training and development programmes may be needed. One step in this direction is the proposed Institute of Management Studies, at the University of Bombay, which would provide a two-year full-time residential management course similar to that at the Harvard Business School, the School of Industrial Management at M.I.T., and at a number of other American universities. This would meet a need not now adequately filled by the M. Com. degrees offered at a number of Indian universities.

An equally important need, and perhaps more important, is for high-level management seminars of three to five weeks duration to which top management people might come for an exchange of the best managerial experience. Top management seminars of this sort have been run in the U.S., in many European countries, in Chile, in Japan, and more recently in an "Advanced Management Programme in the Far East," held at Baguio in the Philippines. Three senior management officials from Indian industry attended this programme last summer, and perhaps more will go this summer. But the time is rapidly approaching when such seminars may well be held in India, to reach a wider group in management and to supplement the existing and projected programmes. More management study tours—Indian managers visiting their counterparts in other countries, and managers from the more advanced industrial countries meeting with groups of Indian managers along the lines suggested by the U.S. Technical Co-operation Mission to India and by other groups—are also needed.

All of these suggested programmes, together with the existing efforts which have been outlined above, would help to strengthen and develop one of India's most critically-needed resources: the high-level human resources which are required to direct and administer the growing private and public enterprises, and government agencies, on which much of the success of Indian industrialization depends. The review and co-ordination of all of these programmes by the Manpower Directorate of the Home Ministry in co-operation with

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\* Recruitment to this service, known as the Industrial Management Pool, is being made at present.

the Planning Commission, is an important part of over-all manpower planning.

Will the present and proposed programmes for management training and development in India be adequate for the kind of socialist pattern of democratic society toward which India's planning efforts are directed ? Since the best programmes emphasize the necessity for management to consider the dignity and worth of the individual human being at work, the importance of joint consultation and of human relations at the plant level, they should strengthen—rather than conflict with—the democratic values in Indian society. Professional management training, emphasizing a democratic philosophy, is basically opposed to totalitarian or autocratic methods of dealing with subordinates. The rising expectations of Indian workers demand a different managerial philosophy, and management training programmes can help to develop this awareness in a new generation of managers.



## THE PROBLEM OF ADMINISTRATIVE TRIBUNALS\*

N. K. Bhojwani

WHILE a high degree of efficiency in public administration is certainly to be desired, the ultimate test of a really effective and enduring administration in a democracy is the quality of its relations with the people. Are such relations based on a reasonable degree of mutual trust and co-operation? Is the sense of community of interest between the administration and the citizen sufficiently developed? Does the citizen tend to obstruct and defeat the administrative process for want of confidence in its capacity to do justice? Does the administrative machinery tend to 'do the citizen down' through excessive executive-mindedness or in an arbitrary manner? Should certain kinds of administrative action be normally subject to independent review outside the judicial review of courts of law? These questions merit consideration. Few will claim that the position in respect of them at present is very encouraging. It is, therefore, proposed to examine here the role which administrative tribunals can play in promoting fair and equitable standards of administration and contributing thereby to greater administrative efficiency and integrity and greater satisfaction to the citizen. The importance of the subject arises from the continually growing powers of the executive government in its efforts to build up a welfare state.

Every year hundreds of laws are passed by Parliament and State legislatures. Their quantity and variety in recent years and their significance for the political, social, economic and moral life of the nation have been of an order not known before. This is a natural consequence of the directive principles of State policy as set out in our Constitution and for implementing which the national and state legislatures have applied their energies with a missionary zeal. All such legislation shows that we are committed to big government, vested with powers of massive intervention in every department and at all levels of national life. These powers have been willingly conceded by the people through their elected representatives in the belief that they were necessary for the success of a welfare state.

There are, however, certain aspects of the growing powers of Government which do not seem to have received the attention they deserve. Even a democratic government in the exercise of its powers for general welfare, is bound to find itself coming into frequent conflict

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\*Text of an essay (slightly condensed by the author) which won one of the two second prizes in the IIPA Essay Prize Competition 1957. No first prize was awarded.

with individual citizens or group interests. The volume of litigation involving the Central and State Governments has already caused a great deal of concern. While an authoritative estimate of such involvement is unfortunately not available, law reports seem to suggest that the lawsuit method of challenging administrative decisions has become a rather striking feature of the relations subsisting between the citizen and the administration.<sup>1</sup>

Secondly, almost every law the administration of which depends upon the executive government empowers it to supplement it with rules of its own having the force of law. This process of subordinate legislation is an important constituent of what is known as administrative law. It is suggested that administrative law in this country has grown tremendously through the laws of the legislatures no less than through the process of subordinate legislation, without an adequate assessment of its implications and problems.

Thirdly, there is an increasing trend towards constituting government departments, with parliamentary approval, into adjudicators of disputes between them and the citizens. The implications of this trend also do not seem to have been properly investigated.

These aspects of the growing powers of modern administrative agencies raise important issues of adjusting the administrative processes simultaneously to the demands of social justice on the one hand and justice to the individual citizen on the other.

## II

Our thinking on problems of public administration since independence has somehow paid little attention to these issues. All the studies made so far have concerned themselves largely with questions of administrative and organisational reforms necessary for toning up the efficiency and integrity of the administration, methods of recruitment, training, placement, promotions and allied matters.<sup>2</sup>

1. Till recently even the Ministry of Law had no information about the number of cases in which the Central government was involved. On 14th August, 1957, in reply to starred question No. 107 by V.K. Dhage in Rajya Sabha asking for this information, the Minister of Law said that the information was not readily available. An *interim* statement laid on the table in Rajya Sabha on 23rd December, 1957 gave the number of cases for some departments; Ministry of Home Affairs 141; Railways 25,140; Irrigation & Power 12; Health 142; Department of Economic Affairs 60. The number of income-tax cases pending in courts, according to information unofficially obtained, was 2677.

2. The principal studies are—(i) Report on the Reorganisation of the Machinery of Government by the late Shri N. Gopalaswami Ayyangar (then Minister of Transport) 1949; (ii) Reports of Mr. Paul Appleby (i) Public Administration in India: Report of a survey, 1953 and (ii) Re-examination of India's administrative system, with special reference to administration of government's industrial and commercial enterprises, 1956; (iii) Reports of the Planning Commission (Chapters 5 & 6—First Five Year Plan, 1952, and Chapter 6—Second Five Year Plan, 1956); (iv) The Second (1951) and the Ninth (1954) Reports of the Estimates Committee of Lok Sabha.

Parliament's and the Central Government's awareness of the value of carrying on the administration with as much consultation with the people as possible and with the maximum possible understanding and co-operation on their part is also reflected in the large number of advisory bodies that have been set up under various laws and otherwise. But hardly any attention has been paid to the question of ensuring that the *administrative process is intrinsically equitable* and that the methods of resolving disputes between the organs of public administration and the citizen, without forcing the latter to seek judicial redress, are adequate.

There have been occasions, however, when questions of fairness in administration have received a certain amount of notice. In its third report, the Committee on Estimates, for instance, recommended the appointment of a committee by the then Ministry of Commerce consisting of a person not below the rank of a District Judge and two other non-officials to deal with complaints against the working of the import and export control licensing system. "It is not our intention that this committee should act as a judicial body in a judicial manner but the inclusion of a District Judge has been suggested for the purpose of infusing confidence in the public mind that there is a person on the committee who does not belong to the Ministry and has a judicial temperament. . . . We do not think that (the present) rough and ready method of disposal of complaints will infuse confidence in the minds of the public and rid the department of charges of nepotism and corruption."<sup>3</sup>

This recommendation was not accepted by the Ministry, whose reaction was : "The procedure for dealing with complaints has been tightened up and improved. . . . All complaints are personally scrutinised by the Secretary or Joint Secretary and most of them by the Honourable Minister or the Deputy Minister. . . . It is considered that at this stage, it is neither necessary nor practical, . . . to appoint any special tribunal to examine complaints." This was accepted by the Committee and the matter treated as closed.<sup>4</sup>

The Committee on Subordinate Legislation, on the other hand, has kept strictly within its terms of reference. It has scrutinised the rules made by governmental agencies to ensure that they were properly made for the purposes and within the intents of the parent laws. No attempt has been made to examine the possibility of wrongful exercise of administrative powers through the rule-making power.

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3. 3rd Report (1951), paras 23 and 41.

4. 37th Report (1956), p. 28.



The Committee has, however, been particularly watchful of tendencies to oust the jurisdiction of courts by the Government through rules and has stood, without success so far, for prior approval of Parliament of the rules authorised to be made.

In the first report of the Committee, presented to second Lok Sabha on 12th September, 1957, however, there is an interesting recommendation which may mark the beginning of a new approach by it to the exercise of administrative powers. The Calcutta Dock Workers (Regulation of Employment) Scheme, made under the Act of the same title, gives to the Dock Labour Board discretionary powers to dissolve a group of registered employers formed under the Scheme if it is satisfied that employers have failed to comply with the conditions prescribed for the formation of such groups. The Committee has recommended that as the dissolution of a group may affect the employers financially and there was no right of appeal against the orders of the Board, an opportunity of being heard should be given to the aggrieved employers. The Committee has not accepted the view of the Ministry of Labour and Employment that as the Board included representatives of employers they would have ample opportunity to put their views before it when a proposal for the dissolution of a group was considered by it. It is interesting to note that the Committee has not suggested that this provision in the Scheme went beyond the purposes or intents of the Act. Nor has it suggested where the opportunity of being heard should be provided. But the case is interesting for its obvious implication, viz. the need of safeguards against possible injustice arising through the exercise of perfectly legitimate administrative powers.

### III

Such vigilance by Parliamentary Committees will also be logical because the source of all administrative power is administrative law as passed by Parliament and State Legislatures. Administrative law as considered here is the complex of laws the application and administration of which depend upon the action of the administrative organs of the government or 'the field of law whose control is exercised by law-administering agencies other than courts.'<sup>5</sup>

So understood it is obvious that a good proportion of recent and current legislation has consisted of laws the enforcement of which is wholly dependent on some kind of *administrative* action and which will remain dormant without such action.

5. Felix Frankfurter quoted in *Administrative Law* by R. Parker (p. 3).

It will be useful to recognise at this stage the principal constituents of administrative power. The first and the most important is the law as made by the legislature. Thus the Industries (Development and Regulation) Act, 1951, vested the Central Government with extensive powers of control over certain specified industries. The administration of the Act is a matter entirely for an administrative agency (the Ministry of Commerce and Industry). If the agency chooses not to put an Act or any part of it into effect, it remains to that extent dormant. Another constituent is the rules made by administrative agencies of the government for carrying out the purposes of laws as made by legislatures. In most cases, laws cannot be set into motion without making rules.

Thus section 30 of the Act mentioned above empowers the Government to make rules for carrying out its purposes. Since the rules are made under the authority of a law, they have, by implication, the same status as the parent Act. A certain amount of quasi-legislative power thereby gets vested in the Executive. A further constituent of administrative power is rather special. It consists in the *finality* which is *sometimes* given by law to certain *specified* administrative decisions. This implies an ouster of the jurisdiction of courts in respect of such decisions. Thus Section 23 of the Act mentioned above lends *finality* to the decisions of the Central Government on such questions as whether an industrial undertaking is manufacturing or producing any new article or whether there has been a substantial expansion of an undertaking. It follows that in the event of a dispute, the power to judge the issue will vest with the Government itself. In this sense a certain amount of quasi-judicial power also characterises administrative functions.

There is finally the impact of administrative discretion and policy on administrative decisions. An undefined degree of discretion has generally to be allowed to administrative authorities and is frequently exercised by them. While decisions tend to establish precedents, the force of precedent in administrative processes is liable to be modified by considerations of public policy and circumstances rather more often than in judicial processes.

#### IV

It is an old platitude that administrative power is properly exercised only when laws are applied and decisions taken by ministers and civil servants with a sense of justice. But with the best of intentions, the possibility of improper exercise of power is bound to grow with every addition to it. The content of administrative power noted above

is in any case such as to provide scope for a variable quality of justice being done. This result is further assisted by the nature of the administrative process through which decisions are taken. Normally, administrative processes leading to decisions are secret and anonymous (in respect of persons making decisions and the levels at which they are made). They generally have the virtue of brevity in the sense that the reasons for which a decision adverse to a citizen is taken are not stated except for an occasional and not very helpful reference to a rule or some other consideration. They are also frequently taken without hearing the parties concerned. Lastly, it is not uncommon to treat decisions taken in the first instance or reviews of them on representation by the same authority, as final.

These are traditional characteristics of the administrative process and we have generally preserved them as a legacy from the past. The constitutional and political adjustments of relations between the authority of the state and the people, which have taken place from time to time and particularly since Independence have had no significant counterpart in the sphere of relations arising from the exercise of administrative authority. The fundamental principle of adjustment could be stated to be that administrative authority should not only be efficient in the exercise of its powers but that "it must also satisfy the general body of citizens that it is proceeding with reasonable regard to the balance between the public interest which it promotes and the private interest which it disturbs."<sup>6</sup>

It will not be correct to say that we are wholly unconscious of this basic principle of good and just administration. Indeed we have provided in many cases special methods of review of administrative decisions and of adjudication of disputes between administrative authorities and citizens. But the principles and procedures are so diverse as to suggest that our approach is still wholly *ad hoc* and unsystematic. Also to the extent that adjudication has been provided, it has tended to be treated in some cases as a convenient alternative to the courts of law and in most cases as an extension of or ancillary to the administrative process.

A few examples selected at random will illustrate the variety of procedures of review and adjudication in operation.

#### (i) Review by Law Court :

The Coconut Committee Act 1944, and the Oilseeds Committee Act 1946, provide for an appeal to the District Judge or the Chief Judge

6. *Report of the Committee on Administrative Tribunals and Enquiries* (Chairman: Sir Oliver Franks), Cmd. 218, H.M.S.O. London, 1957.

of the Small Cause Court, by any occupier of a mill who feels aggrieved by an assessment of cess made by the Collector appointed by the Government. The Acts make the orders of the judge final in respect of any modification or cancellation of the assessment or order of refund of any amount paid under it.

**(ii) Review by the Government :**

But the Indian Cotton Cess Act 1923 provides that an assessment of cess made by the Collector appointed by Government shall not be questioned in any court of law. It, however, allows any owner of a mill who is aggrieved by an assessment to appeal to the Central Government for the cancellation or modification of the assessment or refund of any amount paid under it.

The Central Silk Board Act 1948, under which a cess is levied on certain kinds of silk, provides neither for an appeal nor does it specifically shut out the jurisdiction of the courts.

On the other hand, while Section 14(4) of the Tea Act 1953 provides that no order of the Tea Board on an application for permission to plant tea on any land not planted with tea at the commencement of the Act shall be called in question in any court, Section 32 allows an appeal to the Central government by any person aggrieved by an order of the Board in respect of certain *other* matters dealing with planting of tea and export quotas.

**(iii) Review through Arbitration :**

The Indian Telegraphs (Amendment) Act 1957 makes a provision for arbitration for the settlement of disputes that may arise between the Government and telephone subscribers. All disputes are to be referred "to an *arbitrator appointed by the Central Government*" and his award is to be conclusive and 'shall not be questioned in any court.'

**(iv) Review by an Appellate Board :**

The Foreign Exchange Regulations (Amendment) Act 1957 empowers the Director of Enforcement of Foreign Exchange Regulations appointed by the *Central Government* to adjudge whether any person has committed a contravention of regulations and to impose penalties. A reasonable opportunity of being heard is provided. The Director is also empowered to summon and enforce the attendance of any person to give evidence or to produce a document or any other thing which he may consider useful for or relevant to his inquiry.

Appeals against the orders of the Director lie to the Foreign Exchange Regulation Appellate Board consisting of a Chairman and another member to be appointed by the Central Government. The Act makes the decision of the Appellate Board final. The Government is also empowered to prescribe the manner in which inquiries should be held and the procedure to be followed in respect of the proceedings before the Director or the Appellate Board.

**(v) Mixed Procedures under a State Land Acquisition Act :**

Under the Orissa Development of Industries, Irrigation, Agriculture, Capital Construction and Resettlement of Displaced Persons (Land Acquisition) Act 1948, any land for the acquisition of which notice has been served or published vests absolutely in the Government free from all encumbrances from the date of notice. The occupier is permitted to file an objection with the Government within one month of notice. Decision on it lies wholly with the Government. *Compensation* for the land, crops, trees and other assets is, however, required to be determined by agreement and in the absence of an agreement by an arbitrator to be appointed by the *Government*. The person to be compensated is permitted to nominate an assessor only when the *Government* nominates one on its own behalf to assist the arbitrator. An appeal lies to the High Court from the award of the arbitrator. The Act makes the decision of the High Court final.

**(vi) Control of Private Schools without Adjudication :**

The Kerala Education Bill 1957<sup>7</sup>, as passed by the State Legislature vests administrative decisions on numerous matters affecting private schools, whether aided or not, in the District Educational Officers and provides for appeals only to the *State Government* whose decision is to be final. All such decisions have been placed outside the scope of the State Education Advisory Board authorised to be set up by the Act for certain other purposes.

V

We may now refer to the part played by administrative tribunals. The device of the administrative tribunal as a *standing* machinery of adjudication is of recent origin and has been used in certain limited and special fields of administration, such as railway rates (The Railway Rates Tribunal); income-tax (The Income-tax Appellate Tribunal);

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7. As this Bill has not yet received the assent of the President of India, it has not come into force.

industrial relations (Labour Courts, Industrial Tribunals, National Tribunals and Wage Boards) and election disputes (Election Tribunals). Occasionally tribunals are set up for *ad hoc* purposes. Thus the Life Insurance Corporation Act, 1956, authorised the Central Government to establish one or more tribunals to determine the compensation to be paid to insurance companies for the business taken over by the Corporation. The *ad hoc* committee set up to determine the compensation to be paid by the Government of Mysore to gold mining companies on nationalisation is also an instance of an *ad hoc* tribunal. The disputes dealt with by the labour and election tribunals do not generally involve any administrative authority. But they fall in the category of administrative tribunals inasmuch as they are created by legislation and used by the administrative departments concerned for the settlement of disputes involving public interest and in which the government usually takes the position of interested neutrality. In a welfare state, both types of tribunals are important.

It is not the purpose of this paper nor is it possible within its compass to examine the procedures and working of these tribunals. They are generally, special bodies established by the Legislature and independent of the ordinary administrative machinery of the Government in varying degrees, to examine and determine specific issues or adjudicate in a judicial spirit on certain grievances against or disputes arising from administrative decisions. Though not courts of law, they are intended to assure fair decisions on matters affecting the rights of citizens and sometimes function as appellate bodies when any administrative decisions are challenged.

Thus the Income-tax Appellate Tribunal is a highly 'judicialised' tribunal for hearing appeals from the orders of the Appellate Assistant Commissioners of Income-tax who are the first appellate authorities for appeals from the orders of Income-tax officers. It is judicialised in the sense that its procedures provide for open hearings, representation by counsel and statements of reasons for decisions. It has the same powers as are vested in a court under the Code of Civil Procedure in the matter of discovery and inspection, enforcing attendance, examining on oath, compelling production of books of accounts and other documents and local investigation. It is the final court of appeal and its orders are binding on the Government and can be appealed against both by the government and assessee on a question of law only, first in the High Court and from there in the Supreme Court. The Chairman of the Tribunal and members of its various benches are appointed by the Ministry of Law on the advice of the Union Public Service Commission. The Tribunal is thereby made independent of

the Central Board of Revenue which is responsible for collecting income-tax. Though the Appellate Assistant Commissioners and Income-tax officers also have the same powers of a court as are vested in the Tribunal, they are officers of the Income-tax Department. The procedure of adjudication in income-tax matters is, consequently, a mixed procedure in the sense that while the first appeal lies to a civil servant, the second and final appeal lies to the Tribunal.

The Railway Rates Tribunal is a relatively minor tribunal for adjudicating on certain matters of railway freight rates.<sup>8</sup> It was recently reorganised under the Indian Railways (Amendment) Act, passed by Parliament in December 1957, to make it less formal, less legalistic, less costly to the litigants and more expeditious.<sup>9</sup> It is interesting to note the changes made : (1) The Chairman and two members of the Tribunal are to be appointed by the Central Government as before. But while formerly no qualifications were prescribed for the President (as he was known before) of the Tribunal, the Chairman hereafter has to be a person who is or has been a judge of the Supreme Court or of a High Court. (2) Formerly, a member of the Tribunal had to be a person who was or had been or was qualified for appointment as a judge of the High Court. Now members are to be chosen from among persons who in the opinion of the Central Government have special knowledge of commercial, industrial or economic conditions of the country, or of the commercial working of the railways. (3) Formerly, the tenure of the office of the President and the members was a matter for Government's discretion. Now the tenure of the Chairman and members is limited by law to a maximum period of 5 years. Re-appointment is also barred. (4) Formerly, two advisory panels of assessors were constituted to assist the Tribunal. With the abolition of these panels, the Tribunal will hereafter function without any assessors. (5) The powers of the Tribunal have been curtailed by withdrawing certain matters from its jurisdiction. (6) The procedure of sittings has been simplified.

These recent changes in a relatively minor Tribunal have been noted at length because they seem to indicate a certain amount of re-thinking on the principles of administrative tribunals.

There are certain other agencies of the Government which are also 'judicialised', such as the collectors of customs and excise, the Central Board of Revenue or Boards of Revenue in the states. As such agencies are manned by the permanent civil service, they cannot

8. The Tribunal dealt with 30 complaints in 5 years (1950-1955). *Estimates Committee 25th Report* p. 12.

9. Statement of objects and reasons given in the Bill as introduced.

really be treated as tribunals. They are essentially part of the normal administrative set-up. Occasional departures have been attempted to add to the independence of such agencies. Thus an officer of a Joint Secretary's status from the Ministry of Law is associated with the Secretary of the Department of Revenue to examine revision petitions against the Central Board of Revenue's orders in appeal. It may be mentioned, however, that the Secretary of the Department of Revenue is also the Chairman of the Central Board of Revenue.

The conclusions suggested by this brief discussion are firstly that there is no particular design in the procedures employed in reviewing decisions affecting citizens. At one extreme, an aggrieved party is permitted to appeal straightway to a court. At the other extreme, resort to judicial redress in similar matters is sought to be shut out by making administrative decisions final and above question in a court. Between these two extremes, various kinds of remedies are available for redress. In some, Government itself is the appellate authority or provides a special appellate organ within the departments; in others, tribunals of different degrees of autonomy undertake adjudication. Secondly, the principles of redress through tribunals have a more judicial and impartial bias than other remedies and, consequently, review or adjudication by tribunals are likely to be generally more acceptable than departmental review or adjudication. Thirdly, we have not made much use of tribunals in conducting our public administration. It cannot be that we have no use for them. If for nothing else, the heavy litigation involving administrative agencies to which a reference has been made earlier and which is a symptom, should be adequate enough reason for considering their place in our system of public administration more seriously. But the question has wider implications.

## VI

The present position is generally such as to allow public authorities in a vast field of administration at all levels to play the part of decider and judge in their own cause. "The honest, able and dutiful civil servant who brushes aside individual objections in an ever-widening field does so in the name of the people—for the public good and at parliament's bidding."<sup>10</sup> If this could be said of the situation in the U.K., a land of many tribunals, it applies with even greater force to this country. It is not as if civil servants in India are ordinarily unjust or arbitrary in dealing with the public. The case for reasonable

10. *The Economist*, July 27, 1957. "Our own monster", leading article.



safeguards and an adequate code of just procedure stands on its own merits from the wisdom of the old maxim that justice must not only be done but manifestly and openly be seen to be done. Efficiency and integrity in administration, cannot be a good enough substitute for this maxim, "for power is a heady thing; and even the best of men get delusions of omnipotence."<sup>11</sup> In a democratic state, with the constitution that we have, rapid industrialisation and general awakening, the exercise of administrative authority has been increasingly open to public vigilance and challenge. Popular attitudes bred through centuries of undemocratic regimes, which accepted the finality of administrative decisions almost as a law of nature and generally looked to administrative authority for redress against wrongful or excessive use of power, have happily been disturbed. The challenge has to be met by ministers no less than by civil servants. Of all things, it is their actions which have the most impact on a citizen's rights and interests and it would not be unnatural for the citizen to assess the quality of other institutions, such as political parties, Parliament and the Government in general through his own experiences of the administrative process.

The lawsuit method of adjudication of disputes between the citizen and the Government has its own limitations. As a rule, an individual or a group would not wish to go to court against the Government for the fun of it. It would be reasonable to assume that he would be less inclined to do so if he had some other adequate means of seeking redress. On the other hand, he may not be able to afford judicial redress and choose to pay up or otherwise put up with a decision which he considers unjust, but nurse a real or imagined grievance against the Government and attribute it to lack of integrity or equity or both in the administration. He is, in consequence, not likely to be as good and co-operative a citizen as he might have been if he had the feeling that he had been at least manifestly treated with justice. He will very likely consider it unavoidable to resort to questionable means in his dealings with the Government or recompense himself through some anti-social act or be a source of disaffection. Administrative justice has thus by no means an insignificant or remote bearing on the quality of the civic sense of the people.

An adequate system of administrative remedies should be welcome no less by public servant as an incentive to impartial and fair decision. No official would wish to have his decisions reversed frequently. The mere existence of a venue where a decision may be challenged is bound to enhance its quality without giving cause for

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11. William O. Douglas, *We the Judges*, Garden City, N. Y., 1956, p. 179.

shirking responsibility. Such remedies, it is suggested, will also tend to make good, to some extent at least, the fall in the efficiency of the public services in recent years. To the extent that decisions by less than adequately efficient officials can cause as much injustice as those taken arbitrarily by efficient ones, there is need for equipping the organs of present day public administrations with the mechanics of a second opinion through tribunals. It would be short-sighted to regard them as a dilution of the powers of civil servants and ministers.

We have illustrated the extent to which the legislatures have permitted a comingling of the powers of administration of laws, investigation, assessment, decision, arbitration and adjudication in the hands of the executive government. It stresses the need for bringing about an *internal separation of powers* within the departments to ensure equitable and just administration of laws. Without such separation, the legislatures are liable to arrogate their own powers. The device of the administrative tribunal seems to hold the key to this internal separation of powers. President Roosevelt's observation of 17 years ago that the "very heart of modern reform of administration is the administrative tribunal"<sup>12</sup> applies aptly to the present day needs of public administration in India.

But as in the United States so in India, the legal profession is not likely to take kindly to administrative tribunals. It would be inclined to demand "as of the highest importance, that a code of judicial procedure for administrative tribunals should be devised and insisted upon".<sup>13</sup> It would be prone to fear that tribunals "may materially affect or impinge upon the fundamental rights and liberties of the citizen."<sup>14</sup> This reminds us of another part of President Roosevelt's message "...a large part of the legal profession has never reconciled itself to the existence of the administrative tribunal. Many of them prefer the stately ritual of the courts in which lawyers play all the speaking parts, to the simple procedure of administrative hearings which a client can understand and even participate in...for years such lawyers have led a persistent fight against the administrative tribunal."<sup>15</sup>

In view of such temperamental bias, it would be unwise to leave all the thinking on the subject of administrative tribunals to minds attached to judicial procedures in everything. Any scheme of

12 & 15. President Roosevelt's message to the Congress vetoing the Logan-Walter Bill (Dec. 1940).

13. K.M. Munshi's address to the Seminar on Administrative Law (*Hindustan Times*—December 15, 1957).

14. Resolution of the Advocates Association of Andhra Pradesh, passed on September 13, 1957.

tribunals should be a product of joint thinking by persons of judicial, administrative and legislative training, experience and attitudes if it is to provide reasonable safeguards to the citizen without impeding the administrative process. The proper approach should be to regard the tribunals and the courts as partners and not antagonists in ensuring equitable application of laws. Their methods are bound to be different but they should be regarded as complementary and not exclusive.

The advantages claimed for the procedures of tribunals as against the procedures of courts are that the former will have a greater degree of specialisation, informality, simplicity and expedition and will be less expensive. Their procedures, however, will command the consent of the citizen to the extent that they are characterised by "openness, fairness and impartiality."<sup>16</sup> "In the field of tribunals openness appears to us to require the publicity of proceedings and knowledge of the essential reasoning underlying the decisions; fairness to require the adoption of a clear procedure which enables parties to know their rights, to present their case fully and to know the case which they have to meet; and impartiality to require the freedom of tribunals from the influence, real or apparent, of Departments concerned with the subject-matter of their decisions."<sup>17</sup>

Judged in the light of these objectives, which are unexceptionable, we find that among our tribunals which come nearest to satisfying them are those which deal with disputes to which *Government* is *not* a party, viz. election and labour tribunals. In other, such as income-tax appellate, railway rates and insurance tribunals, the statutory provisions and rules made under them obviously fall short of these objectives in varying degrees.

This brings us to the consideration of the question whether tribunals should be regarded "as part of the machinery of administration for which the government should retain a close and continuous responsibility"<sup>18</sup> or "as machinery provided by parliament for adjudication rather than as part of the machinery of administration."<sup>19</sup> While theoretically there is a great deal to be said for the latter view, this writer is inclined to favour the former as more suitable to our present conditions. But it should be possible to reconcile the two views by incorporating sufficient safeguards to ensure a greater degree

16. *Report of the Committee on Administrative Tribunals and Enquiries* (U.K.) Para 23.

17. *Ibid*, Para 42.

18. Official opinion in the U.K. tends to hold this view. *Ibid*. (Para 40), also para 5713 of the Minutes of Evidence.

19. This is the view of the Franks Committee.

of independence of tribunals than exists at present without going to the other extreme of keeping them completely outside the machinery of government. This view is held on the ground that tribunals should not be placed outside the influence of considerations of policy entering the decision-making process. In a country undergoing the pains of economic growth and social and political changes, policy is bound to play a more dynamic role than normally in shaping decisions, and tribunals are liable to suffer in their value if kept beyond the issues of policy. They would, however, be expected to apply considerations of policy in all cases equitably.

It is also perhaps necessary to state the obvious in the interest of clarification that it is not suggested that every kind of administrative action should be open to challenge before a tribunal. It would indeed, establish a mobocracy if each citizen assumed that he has the right to question every action of the administration. Certain fields of administrative decisions are, therefore, bound to remain outside the jurisdiction of tribunals, for example, in matters affecting citizenship, passports, and security of state. Broadly speaking, matters like land acquisition, compensation for land and other assets acquired or nationalised, rent control, assessment of house-tax by local authorities, other taxation at the central and state levels, transport control and licensing, and rights of individuals under social security laws are eminently suitable matters for administrative tribunals. Thus the Railway Rates Tribunal could be further re-organised and re-designated as the Rates and Claims Tribunal and entrusted with the function of adjudication of claims. Even if such adjudication were to succeed in only half the number of cases (running into thousands) its benefits are bound to be appreciated by the claimants, the railways and the courts.<sup>20</sup> It is also not inconceivable that the Kerala Education Bill as passed by the state legislature might have provoked less controversy if the bill had provided for an open, fair and impartial tribunal for the adjudication of disputes between private schools and the Government if not also for *prior* consultation with and decision by it on any proposals of the Government affecting any school. This would have tended to allay fears that Government intervention may be arbitrary or political.

## VI

We referred in the preceding section to the merits of adjudication by tribunals and the conditions which they should satisfy to

20. It is interesting to note that in its 26th report the Estimates Committee came very near to this in recommending that *controversial* claims cases may be referred by the railways to the Tribunal for *opinion* before proceeding to courts of law, to save a lot of expenditure and litigation.

command general consent. The Government of the United Kingdom has accepted these conditions unreservedly<sup>21</sup> and legislation is proposed to be passed to regulate the procedures of the tribunals broadly on these principles. But it would not be correct to infer from this that if we too were to establish a net work of tribunals on similar principles, they would have the same legal status as tribunals have in the United Kingdom. This will be so because whereas in the U.K. the supreme law which the courts enforce is, in the last analysis, the law of Parliament, in India the supreme law is the Constitution. Judicial review of administrative action in the U.K. is accordingly limited to questions of statutory and common law construction. In India administrative action must not only adhere to statutes but in addition such action and the statutes authorising it must conform to the Constitution. This difference in the constitutional set-up of the two countries makes judicial review of administrative action in the U.K. relatively simple while in India it is closely tied to constitutional provisions and covers a much larger area.

The relevant provisions in our Constitution are—(i) Article 32, under which a citizen is entitled to move the Supreme Court for the enforcement of fundamental rights mentioned in part III of the Constitution and which empowers the Supreme Court to issue appropriate directions, orders or writs for the purpose; (ii) Article 136, which empowers the Supreme Court to grant special leave to appeal from any judgment or order in any cause or matter passed or made by any court or *tribunal* in India; (iii) Article 226, under which every High Court also is empowered to issue directions, orders or writs to any person or authority, including in appropriate cases *any Government* within its jurisdiction, for the enforcement of any of the fundamental rights and for *any other purpose*; and (iv) Article 227, which empowers every High Court to exercise superintendence over all courts and tribunals within its territorial jurisdiction.<sup>22</sup> These provisions give to the citizen in India a greater judicial protection than is enjoyed by the citizen in the U. K. They also establish that the ouster of the jurisdiction of the courts and the finality intended to be given to administrative decisions thereby in so many of our enactments to which attention has been drawn, is not absolute. Thus the Supreme Court has held that “notwithstanding the provision in the Representation of the People Act of 1951, that every order of an Election Tribunal made under the Act shall be final and conclusive, the High Court and the Supreme Court have unfettered jurisdiction to examine whether the tribunal...has acted legally or therwise.”

21. House of Commons debate, October 31, *The Times*, November 1, 1957.

22. The articles do not apply to military courts and tribunals.

They "alone can determine what the law of the land is *vis-a-vis* all other courts and tribunals and they alone can pronounce with authority and finality on what is legal and what is not. . . . *Limitations on the exercise of such jurisdiction can only be imposed by the constitution.*"<sup>23</sup> (italics supplied).

But it would be erroneous to conclude from this that administrative tribunals cannot play an effective role in our public administration unless the Constitution is amended. Such judicial remedies as we have are of course open to all. So are Ashoka Hotel and air-conditioned travel. The intrinsic merits of administrative remedies through tribunals, discussed above, suggest that regardless of judicial remedies our line of policy should be to provide them without disturbing the constitutional framework. To extinguish the judicial remedies against administrative decisions without *first* providing adequate administrative remedies *and* trying them out for some years, would be as rash as removing the traffic police without providing and trying out traffic lights. It is unfortunate that this question has generated more heat than light in recent months and has led responsible commentators to fear that "administrative law with its creature administrative tribunals, is, like martial law, practically the negation of law"<sup>24</sup> or that "it is somewhat strange, if not a piece of political irony, that a country which had fought for long for the separation of the judiciary and the executive should now be toying with the idea of permitting the invasion of the strictly judicial realm by executive authority."<sup>25</sup> Even in the U.K. there are not wanting people who think that "by putting the shadow of legal procedure between the Minister and his responsibility, he was shielded from the criticisms which were effective in curbing insolence of office."<sup>26</sup> Such views represent a misunderstanding of the real purpose of tribunals.

An amendment of the Constitution to curtail the powers of the High Courts or the Supreme Court or both in regard to administrative authorities and tribunals would be justified only if experience of the working of adequately constituted tribunals compels it. For this it is essential that tribunals should be so composed as to inspire confidence in their competence and impartiality and their procedures are so designated as to have all the advantages over those of the courts, to which a reference has been made earlier. Thus, there is no reason why, for example, the appointment, removal and conditions of service

23. *Sangram Singh v. Election Tribunal*, Kotah, Bhurey Lal Baya, S.C.R. Part I—July-August 1955.

24. *Times of India*, December 21, 1957 leading article.

25. *Commerce*, September 21, 1957 p. 526.

26. Paget (Labour), House of Commons debate, *Times*, November 1, 1957.

of the Chairman of the Income-tax Appellate Tribunal, the judicial members of its various benches, the Chairman of the Railway Rates and Claims Tribunal the establishment of which has been suggested, and the Chairman of the Foreign Exchange Regulation Appellate Board should not be under the control of the Chief Justice of the Supreme Court or subject to his concurrence. Likewise, there should be no objection to appointing persons with the concurrence of the Chief Justice of the Supreme Court or Chief Justices of the High Courts to perform the quasi-judicial functions of the Collectors of Customs and Excise, the Central Board of Revenue, the Boards of Revenues in the States and for similar functions in other spheres.

By so removing traces of departmentalism from existing and future tribunals, the question of amending the Constitution to curtail judicial remedies against administrative decisions may never arise, for, it would not be unreasonable to hope that as the tribunals succeed in making the administrative process increasingly just and equitable, the courts would develop a more dynamic concept of judicial review and would be less inclined to intervene; the citizen would have less provocation for seeking judicial review; and ministers and civil servants would have adjusted themselves to the idea of exercising their powers increasingly subject to more immediate review by bodies independent of them. It follows that it would be premature at this stage to amend the Constitution. But it is not difficult to see the ways which the more impatient among us may wish to follow. In the immediate instance, they would obviously want to so amend the Constitution to abolish or curtail judicial review of specified tribunals and government action concerning taxation and labour. The more cautious would perhaps wish to curtail only the writ powers of the High and Supreme Courts. In any case, articles 32, 136 and 226 would be the focus of attention. It is to be hoped that the gaze will be forward-looking.

## VII

Before concluding we may refer briefly to the basic principles of administrative tribunals in France, only to draw attention to the differences between French notions and practice and our ideas and experience of them, because very often the words used are similar but their meanings are different. Administrative tribunals in France have co-existed with the ordinary courts of law as a separate and independent instrument of adjudication. The two systems have had their respective jurisdictions, determined mostly by rules and occasionally by statutes. It is these rules and statutes which constitute *droit administratif*. In general, the judicial courts are competent to deal

with all suits relating to private persons. The tribunals are competent to deal with matters concerning public administration except those organisations of it which function as private establishments, such as nationalised companies and railways. They are in fact special administrative courts and they were known as such till recently. Thus *droit administratif* is altogether different from administrative law as we understand it. While France has both, countries like India, the U.K. and the U.S.A. have no *droit administratif*. Considerable confusion is liable to ensue through a literal translation of the French term.

The philosophy of administrative tribunals in France is that a proper separation of powers requires that each of the three branches of government should be self-contained and should not interfere with the other branches. This belief has ruled out the idea of any review of administrative action by the judiciary and has held that an appeal from an administrative authority should lie to a higher administrative organ just as an appeal from a judicial court lies to a higher court. The French tribunals accordingly function within an independent legal framework called *droit administratif* but what they deal with are essentially matters arising from the operation of administrative law such as we have. Their supervision vests in the supreme national tribunal, the *Conseil d'Etat*.

The country has thus a network of departmental (provincial) and regional tribunals for various purposes and where no tribunal is available for any matter, a citizen is entitled to go direct to the supreme body. The tribunals are competent to quash administrative orders. On the general principle that a citizen is entitled to two degrees of jurisdiction, the decision of a tribunal can be questioned in the *Conseil d'Etat* either by way of an appeal or by way of review. Any tribunal which is not subject to the *Conseil d'Etat* by way of appeal is always subject to it by way of review.

It is neither necessary nor possible for us to refer here to their composition, procedures, scope of operations and achievements. But this much could be said that in the very nature of its basic principles and historical circumstances, which have shaped its growth, the French system is wholly alien to the principles and provisions of our constitution, social conditions and practical requirements. However well it may have protected French citizens against arbitrary administrative action, any conclusion that a corresponding or a similar system would flourish in Indian environments would not be warranted. This is said, however, without underrating the value of studying other systems.



By comparison the American experiment has more practical lessons for India in view of the common factor of judicial review obtaining in both countries. In the U.S.A. the exercise of the powers of administration and adjudication has been regulated since 1946 by the Administrative Procedure Act. This is the first legislative attempt in that country to lay down a code of essential principles of fair administrative procedures. This Act "mirrored the mood of discontentment with the administrative process" and evolved a set of principles binding upon all administrative tribunals and agencies "whose decisions affect the person or property of private citizens."<sup>27</sup> It governs both the day-to-day administrative procedures and procedures in respect of decisions in dispute. The idea suggested by this American experiment is that a regulation of ordinary administrative procedures leading to decisions in the first instance could also be a useful *complement* to a system of tribunals in India. To the extent that initial procedures are made fair the number of cases going up to the tribunals would tend to be smaller.

The above survey has been no more than a *tour d' horizon* of the vast field of its subject. As it has much in common with problems of jurisprudence, it is suggested that an expert study of it based on actual observations of the working of tribunals in India and elsewhere be made by a non-official group under the joint auspices of the Indian Institute of Public Administration and the Indian Law Institute. The nature of the problem is such as to suggest that such a group could give a helpful lead to any official examination of it which the Government, it may reasonably be anticipated, is likely to find necessary to undertake, sooner or later.

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27. Memorandum of Prof. B. Schwartz, Minutes of Evidence, *Franks Committee*, 22nd day, p. 1008.

## THE HINDUSTAN HOUSING FACTORY

*K. S. Krishna Swamy*

**F**OR the efficient management of an enterprise, the nature of its ownership is not as important as balanced organisation, sound policies and efficient work methods. The latter, in turn, largely depend upon management philosophy and leadership. The common notion that private industry, as a rule, is efficient and public management inefficient is not only wrong but also ill-conceived; the techniques and methods of good management are equally applicable both to public and private enterprise. The account of the growth and development of the Hindustan Housing Factory, which is given below, amply illustrates this basic truth. The account is in no way intended to throw any reflections on the previous management of the Factory, nor to make special claims for public management; it is only an attempt to show what can be achieved in either of the sectors, public or private, by good management and sound workways.

The Hindustan Housing Factory was originally established in 1950 to manufacture prefabricated houses in view of the shortage of accommodation due to the influx of displaced persons. It was then known as the Government Housing Factory and was set up as a wholly government-owned and operated enterprise. However, it had to stop production after a few months of its working due to certain technical and economic difficulties. Its fixed assets were maintained on a caretaker basis over the next  $2\frac{1}{2}$  years; the question of the utilisation of these assets was examined in detail in 1951 first by the Moolgaonkar Committee, and then by the Bhatnagar Committee. As a result of their recommendations the Factory was reconstituted as a joint stock company with a paid-up capital of Rs. 1 lakh, half of which was owned by Government and half by Messrs. Basakha Singh and Wallenborg Ltd.

The day-to-day management of the new concern was handed over to a private firm, considering that the enterprise was still in a promotional stage and could be, with advantage, managed by a private concern. The assets of the Factory were leased out to Messrs. Basakha Singh and Wallenborg Ltd. on a rental basis; they were also to provide all the working capital. The overall direction of the policies of the reconstituted Factory, which commenced operations on April 1, 1953, was placed in the hands of a 5-member Board of Directors; Messrs. Basakha Singh and Wallenborg Ltd., had two

representatives on this Board—the Technical Director and the Managing Director. The production programme of the Factory was switched over from prefabricated houses to the manufacture of prefabricated and pre-stressed housing components and pre-cast pre-stressed concrete and reinforced concrete components and boards and sheets. The Factory, however, sustained a loss of Rs. 14.7 lakhs during its working for  $2\frac{1}{3}$  years (1st April, 1953 to 15th August, 1955) under private management. This loss was primarily due to “excessive overheads and lack of complete identity of interests between the two partners of Basakha Singh and Wallenborg Ltd., leading to poor management generally; lack of adequate orders to keep the machinery etc., fully utilised, and insufficiency of working capital when work did not start coming in.”\*

## II

The Central Government took over the management, operation and maintenance of the Factory on 16th August, 1955, with its all assets and liabilities. An expert committee presided over by Shri S. Ranganathan, I.C.S., was appointed in October 1955 to examine the feasibility of the Factory being run by Government in its then existing form or in some other form. If either of these two alternatives was not found feasible, the Committee was required to consider how best the Factory could be disposed of. The Committee recommended that the Hindustan Housing Factory should be continued to run as an entirely state-owned private limited company with an authorised share capital of Rs. 75 lakhs; (paid up capital as Rs. 40 lakhs) and the working capital of Rs. 30 to 40 lakhs. It also recommended the appointment of a 6-member Board of Directors and of a General Manager under the Board to look after the day-to-day management of the Factory. The new Board which is to be constituted will have as its Chairman the representative of the Ministry of Works, Housing and Supply, and as its members representatives of Ministries of Finance, Commerce and Industry, Defence, the Railway Board and the Central Public Works Department.

During the period from 16th October, 1955 to the present date, during which the Factory has been run by Government through a Board of Directors, all of whom are Government servants, no loss has been incurred. On the other hand, the balance-sheet for the period from 1.8.1956 to 31.7.1957 reveals that after meeting all expenses

\* Report of the Committee of Experts set up to determine the future of the Hindustan Housing Factory, New Delhi, Government of India Press, 1956, p.1.

of production and management and providing depreciation on fixed assets of the Factory and lease money payable to Government the Factory has made a net profit of nearly Rs. 39,000.

Apart from financial profit, the following table shows at a glance how production has been stepped up steadily after the management of this Factory was completely taken over by Government :

	Under management with a private firm		Under Government management			
	1.4.53 to 15.8.55 (2 years & 4½ months)	Monthly progress	16.8.55 to 31.7.56 (11½ months)	Monthly average	1.8.56 to 31.7.57 (12 months)	Monthly average
(in lakhs of rupees)						
1. Pre-stressed & pre-cast concrete Department	13.91	0.49	13.26	1.15	18.84	1.57
2. Foam Concrete Department	0.99	0.03	2.58	0.22	3.74	0.31
3. Woodwork Department	22.10	0.78	14.28	1.24	15.64	1.30
Total :	37.00		30.12		38.23	

When the factory was taken over by the Government in August, 1955, the morale both of workers and officers in the Factory was running very low. The foremost problem for the new management, therefore, was of overhauling of production, organisation and work methods as well as of heightening the morale. Here, a clear-cut announcement by the Government of their intention to run the Factory on a regular basis in itself had a salutary effect on the work attitudes of the Factory personnel. They were not only assured of employment and security of tenure but could look forward with confidence to fairplay and amenities available to the employees in other government factories. Equally, and perhaps even more important, was the confidence which permeated down to the various levels of workers from the top management. When the present writer of the article took over as the Chairman of the Board of Directors, he had full confidence in his own ability to undertake successfully the difficult task of 'rejuvenating' an infant industrial unit, having already successfully managed big works like the putting up of Vigyan Bhavan\* at a fairly rapid speed for the use of the UNESCO Conference. This

\* A full account of it is given by the writer in "Vigyan Bhavan—A Study in Administrative Organisation", Indian Journal of Public Administration, Vol. III, No. 3, pp. 226-232.

confidence in due course spread to the whole organisation and is probably one of the most important factors that has contributed to the modest success the factory has recently been able to achieve. It points out, as before, to the fundamental truth that in any endeavour more important than money, machines and other facilities is the human material and the executive leadership which determines the manner in which the human material is handled and used.

On the side of production, efforts were directed to expand the manufacture of such products as would find a ready sale in the open market, *e.g.*, transmission poles, railway sleepers. Attempts are also being made to improve quality standards through the installation of improved production processes, *e.g.*, a seasoning and chemical plant for timber (to be set up) and research in reinforced foam concrete and roofing and flooring components. The bulk of the business of the Factory is now obtained by tendering in the open market; the Factory has to compete on an equal footing with any other industrial concern in engineering industry. A good portion of orders come from government departments, some of which have been willing to assist in steering the Factory out of difficult times. Here again, the quality of top management has been of great help in securing the co-operation of government departments. The production plans of the Factory, in years to come, would, as those of any other industrial concern, have to be adapted to the future needs of the engineering industry.

The most radical improvement effected by the new management was in the sphere of financial and production control. A financial accounts procedure and a cost accounts procedure have been evolved, and new forms of various returns required under these procedures have been introduced so that proper control on the financial side is exercised. The accounts system introduced is worked on the principle of reconciling the costs with the financial accounts. Later on, as the production in the Factory is stepped up, these two sides of accounts will be integrated. The strength of the cost accounts section of the Factory has been augmented and proper control of the cost of production is kept by recording all the expenses of direct material, direct labour, indirect material and various overheads for each work that is done in the Factory.

For maintaining effective control on production, the system of estimating production in advance for each month and comparing the actual performance of the month against the estimate has been instituted; and reasons for discrepancy between the two are examined in detail. The Production Committee enquires into the underlying causes of the bottlenecks in production which develop from time to

time and suggests necessary remedial measures; it also helps to co-ordinate the working of the different production sections.

The next task which the new management had to attend is related to the streamlining of the different Factory departments and their mutual relationships. In order to avoid duplication of responsibilities and functions, it was found necessary to define clearly the duties of the executives in charge of various sections. The duty sheets for lower categories of staff are also being worked out. An overall organisation plan showing the line of command and hierarchical relationships was drawn up to facilitate the flow of work.

Like any other government company, the Hindustan Housing Factory has to obtain the sanction of the Government for expanding its production; but this control by government is not likely to impede the progress of its activities. Expansion schemes, involving a total cost of Rs. 8.75 lakhs, were sanctioned by Government in April, 1957. The Factory today enjoys full autonomy in regard to day-to-day management. The General Manager, who is the Chief Executive, has been given quite a free hand by the Board of Directors in managing the affairs. The Board, as a rule, does not interfere in technical matters; and even in other important matters, the Board has generally accepted the advice of the General Manager unless there were weighty reasons to the contrary. There have been very few cases where the decision of the Board has not been communicated to the General Manager within a day or two of his bringing up the matter before it. Even though all the Directors of the Board are government servants, the manner in which they have so far functioned presents a refreshing contrast to the manner in which they ordinarily deal with their normal government business.

One of the major reasons for the success of the enterprise, as already mentioned, has been the confidence the new management has been able to instil in the labour force. In the early stages, obsessed with the previous spectre of the closure of the Factory, a good many of the workers were inclined to be unresponsive. They were taken into confidence by the management from the very outset; it was explained to them that the financial position of the Factory did not allow a general improvement in their wages for some time to come. As production was steadily stepped up and profits began to accrue, a number of benefits and amenities were provided for the employees. The staff on monthly basis was given graded scales of pay, provision made for increments for daily-rated personnel, and, a contributory provident fund scheme was instituted for all monthly paid staff.

Other amenities provided include canteen and recreation facilities. These benefits and amenities are estimated to cost Rs. 3 lakhs annually.

No less important is the association of workers with the arrangements for their welfare and with factory management through the establishment of advisory committees. There is, for instance, a Works Committee, a Production Committee, a Canteen Committee and a Houses Allotment Committee.

A third factor responsible for the improvement of morale has been the sense of security and fairplay which, in India, is inextricably linked up with jobs in a government institution.

### III

The reader is likely to raise the basic question : "How far is the experience of the working of the Hindustan Housing Factory under public management really conclusive ?" True, that a spell of 2½ years' of public management is too short a period to pronounce any final judgment. The Factory has passed the teething stage and is just now entering upon a normal career. Notwithstanding the above limitations its experience underlines the need for and the importance of (1) executive leadership in making state enterprises a success, and the effective role which senior government officers, on the Board of Directors, can play in this regard to overcome initial production and sale difficulties; (2) "fair deal" for labour as profits of the enterprise increase. If the top management of public enterprises firmly believes in, declares, and pursues the policy of augmenting employees' wages, benefits and other amenities with the increase in profits—a policy which the Hindustan Housing Factory at present subscribes and tries to live up to—, and further associates the workers actively in varying degrees with different aspects of factory management, *per capita* productivity in state enterprises is likely to far exceed that in the private sector. The rank and file of workers have, as a rule, greater faith and confidence in fairplay and justice under a government enterprise than under private management, and, with equitable terms and conditions of service, they are likely to produce much more under public management. The psychological climate which is thus likely to be created, by catalytic executive leadership combined with faith and confidence in the progressive policies of management arising from their practical application, may unleash a spate of energy far more powerful than the so-called profit motive.

# WORK STUDY IN GOVERNMENT ORGANIZATIONS

*Indarjit Singh and K. N. Butani*

**W**ORK study is an old technique as applied to industry. Its translation to government organizations has been recent. Nevertheless, a considerable amount of literature is available on the manner and method of application of this technique to government organizations in different countries. Work study has been recently introduced in the Government of India for analysing methods of work and assessing the staffing needs of government organizations. This technique was first employed on an enquiry into the Re-organization of the Income-tax Department; the technique has since been widely used by the Special Re-organization Unit of the Ministry of Finance in the Government of India. The present article deals with the experience of the Special Re-organization Unit and with the problems that generally arise during the course of work study of government organizations. These have been described under the following headings :—

- (a) Tools of Analysis
- (b) Work Simplification
- (c) Work Measurement
- (d) Assessment of Staff
- (e) Organisational Matters

## Tools of Analysis

One of the primary tasks in work study is to analyse the existing procedures of work in detail. We found that if this basic work is done properly and with care, it has considerable impact on the final results. We have therefore selected certain tools of analysis which are being used elsewhere and adapted them to our requirements. The basic tools of analysis that were used are mentioned below :—

- (i) Organizational Charts : Which display at a glance the disposition of persons constituting the organizational hierarchy, their lines of command and the functions performed by them.
- (ii) Duty Lists : Which display in terms of itemised jobs the functions assigned to individuals in the organization under study.



- (iii) Job Description Sheets : Which indicate the sequence of steps that occur in the performance of a particular job or piece work and the persons performing each step.
- (iv) Job Distribution Sheets : Which display the load borne by various types of persons in the organization in terms of steps constituting the jobs analysed in the form of Job Description Sheets.
- (v) Process Charts : Which are an elaboration of the Job Description Sheets in which various symbols are used to indicate the nature of action performed at various steps in the job.
- (vi) Flow Charts : Which display the flow of work in the organization as a whole or in any part in order to locate problem areas from the point of view of work simplification and avoidance of delays, overlaps and waste.

The Job Description and Distribution Sheets are the most important of the tools that we have employed. Samples of these sheets are shown in Statements A & B (pp. 206-8). It will be noticed that they differ in some respect from the standard charts of this character used elsewhere. The basic difference in the Job Description Sheet is that it not only records the steps required to perform a job but also provides for columns which facilitate later the process of work simplification. For example, it enables us to formulate our recommendations relating to standardisation of forms in respect of items of work which are of a repetitive nature. It also assists in designating the strategic steps that should be controlled with a view to more effective supervision.

We have also changed the purpose of the job Distribution Sheet as used elsewhere, a sample of which appears at pp. 210-11. The basic difference is in the fact that the form is employed in standard work study analysis to record the contribution of each participant in a job on the basis of the existing procedures of work. The time content of the various steps constituting the jobs is also indicated simultaneously. We have used the form to indicate the contribution of each participant after the procedures have been simplified. This serves two purposes. In the first place, it gives at a glance the nature of duties of each participant on the basis of which

rational duty lists are evolved. Secondly, it enables the contribution to be measured in terms of work units and thus serves as a basis for work measurement studies.

### **Work Simplification**

The information gathered in the Job Description Sheet is analysed with the help of Process and Flow Charts in order to suggest simplifications in the performance of the various jobs constituting the sum-total of the work in the organization. The study for work simplification is always undertaken in collaboration with the persons who are engaged on the performance of the various jobs. Unless we are able to convince them and establish definitely that the revised procedures are not only the simplest but also the less circuitous and the most effective under the circumstances, we do not proceed further with our ideas of simplification. We have however found that it is always possible to arrive at a solution which is acceptable to the actual workers and is also the simplest and the best having regard to the organizational and occupational environments in which the job has to be performed.

It will be interesting to refer here to some of the common types of problems that we have encountered during the course of work simplification :—

- (1) Number of stages through which papers have to pass is large.
- (2) Number of steps taken to reach decision are large in comparison with the needs of the situation.
- (3) More effort is being put into some of the steps constituting the job than is needed for effective performance.
- (4) Drafting and typing are being done for processes which are so repetitive that a suitable standard form would meet the requirements.
- (5) Statistical reports and statements are capable of being rationalised to give more effective results and reduction in their numbers.
- (6) Registration of incoming documents is not analytical enough to enable work to be organised efficiently.
- (7) Related jobs are being performed in different work-units thus leading to movement of papers which can be avoided.
- (8) Methods of exercising control over performance of important procedures need redesigning so as to make

exercise of supervisory functions effective as also to enlarge the amplitude of supervision.

- (9) Low-cost jobs are being performed by high cost personnel.

It will be noticed that these problems are simple enough but they have raised considerable amount of controversy and a good deal of argumentation and critical references when they are under discussion with the persons actually performing the jobs and their superior officials.

It has been our experience that the process of work simplification not only reduces the number of steps but also throws up valuable material for organizational analysis and work measurement. It is in this process that the germs of the entire solution to the problems that we are investigating are found. It is therefore natural that a good deal of controversy should arise at this stage of the work. The actual workers and the authorities concerned become aware, during the course of work simplification, of the manner in which the mind of the analyst is working and are, therefore, able to anticipate, to some extent, the recommendations that are likely to emerge. We have found considerable enthusiasm in accepting the results of method study. Sometimes even a certain amount of competitive element is introduced in the sense that the organizations anticipate the recommendations of the work study team and begin to formulate their own ideas on the changes that ought to be made having regard to the facts as discovered and analysed by the team. This is in accordance with the objectives of work study and we have several times thought it prudent to let the credit for effecting improvements be passed on to the organizations under study rather than to the work study team.

The attitude however is somewhat different at the stage of work measurement and assessment of staffing needs. Where the recommendations are likely to affect adversely the staffing position of the organization concerned, the actual workers, as well as such of the senior administrative officials who have not full faith in the method of work study, fight their last ditch battle either to delay the completion of the work or to confound the work study analyst. Work simplification has been found by us to be the real test of the success of a work-study analyst.

One could multiply a large number of examples taken from actual case sheets of the Special Re-organization Unit to illustrate the manner in which some of the ideas given above were applied in actual practice. It will, however, make the narrative a little heavy if such examples are introduced at this stage. They have therefore been given as *Notes* at the end of this article.

## Work Measurement

After completion of the Work Simplification programme revised Job Description Sheets are prepared, displaying the redesigned procedures of work. In order to appreciate the contribution of each type of employee, it is necessary to break down the revised Job Descriptions and record them in the Job Distribution Sheet. Ordinarily the constituent elements of a job performed by different employees fall into either of the two categories mentioned below :—

- (i) Repetitive steps such as diarisation, filing, noting of movement, referencing, indexing, opening of new files, typing, despatch, etc., which are common to almost all the procedures; and
- (ii) Non-repetitive steps which are intimately related to the character of the job though some of them may be common to other jobs also. They constitute the real content of the job.

For repetitive steps, agreed 'norms' have been evolved after adjusting past performance in the light of results obtained from the work simplification programme. While the performance of almost all such steps is undoubtedly capable of being time-tested accurately, the stop-watch methods of work measurement have been deliberately avoided because of the reluctance of office workers to such a procedure. It is not as though we have always succeeded in avoiding recourse to the stop watch. In some cases, we were compelled to utilise it as there was no other way of carrying conviction to the organization concerned. However this required considerable education of the organization on the manner in which these studies should be carried out. The following description of an actual instance of this nature brings out some of the difficulties that arise and consequent preparation that has to be made.

We took the following items for time study :—

- (i) Perusal of a request for an application form and noting of the applicant's address on wrappers.
- (ii) Preparation of folders to contain application forms.
- (iii) Entry of a 'receipt' in the Receipt Register.
- (iv) Typing of addresses of applicants from wrappers prepared as at (i) above.
- (v) Scrutiny of applications for completeness.

For the time-test, the officers in charge of the organization under study offered two persons of 'average' calibre actually engaged

in their performance. An interesting innovation in the time-test was the introduction of a 'guinea pig' with the object of importing realism so that the results could be made more acceptable. An inexperienced Clerk drawn from outside the organization under study, who was almost a 'fresher' having had till then experience only of typing work, was the 'guinea pig' employed. The organization itself offered to impart the necessary instruction for the performance of the steps to him for a couple of hours before the actual time test each day. Fairly representative items of work involving the performance of the steps to be time-tested each day were made available by the organization. Before each test, the three persons concerned were clearly told that the time-test was not a 'race' in which performance was to be judged by speed. The form used for the time-test is shown as Statement 'C' (p. 209). The results obtained were revealing in sense that the average time taken by each of them was almost the same and this average 'norm' was much less, and for one or two items astonishingly lower than the 'hunches' of many of us, the officers conducting the study as well as officers of the organization itself.

For assessing the work-content of the non-repetitive steps, we have employed the methods of analytical estimation, time synthesis and delay-ratio, which involve extensive case-studies and group discussions. Let us take for example the step involved in the procedure for considering the question of levy of damages against a supplier who has delayed the execution of the contract beyond the stipulated date. Extensive case-studies indicated that the step, namely the *consideration of the question*, which at first may appear to be a rather intangible process, consists predominantly of the following sub-steps :

1. Perusal of the contract with a view to jotting down :
  - (i) The name of the supplier,
  - (ii) Particulars of stores,
  - (iii) Value of stores, and
  - (iv) Stipulated date of delivery etc.
2. Perusal of certificate of completion of delivery.
3. Arithmetical calculation of maximum damages leviable according to prescribed formula.
4. Perusal of supplier's explanation giving reasons for delay.
5. Jotting down of all the above particulars in a standard form.

We would then take a person of "average" calibre actually employed on the job and jot down the time he feels he would take in the light of past experience in the performance of *each such sub-step*. The advantage of thus estimating the time taken by each sub-step

is that it forms a more convincing basis of discussion than an estimation based on the performance of the composite step. The 'norm' so obtained is compared with a similar performance of other 'average' employees and an acceptable 'norm' is evolved. Illustrations of work measurement of such steps could be multiplied but the essence of the scheme is the same : the steps are analysed further into sub-steps, and the time estimation synthesised on the basis of such constituent sub-steps into a standard 'form'.

A synthesis of 'norms' for such steps and repetitive steps in the performance of a particular job or a portion of the job falling to the share of each *type of person* gives the standard 'norm' for the performance of that job in terms of man-hours of that particular category of employee. For example the standard 'norm' for the performance of a particular job would be X man-hours of a junior clerk, Y man-hours of a senior clerk and Z man-hours of the supervisory staff.

Before we take up the several refinements which had necessarily to be imported into work measurement methods, let us describe briefly the Delay Ratio Method of measurement which was actually applied in evolving standards of performance of some Appellate Officers. The method consists in taking a specified period of past performance and assessing the factors which impeded the more effective performance of the job. For example, such factors, for those Appellate Officers were the frequency of adjournments asked for by the appellants, the delay in receipt of records from lower formations, heterogeneity of case fixtures for a particular day etc. etc. Measures were designed to curtail the recurrence of such factors and this way additional productive capacity was generated.

Whichever method is adopted, it does not carry conviction unless a large number of case-studies of past performance in respect of identical or similar items of work are made. It is seldom however that case-studies indicate the evolution of a simple 'norm' for performance of a particular job. Almost every item of work has been found on case-studies to consist of several categories where even though the work-content differed widely from category to category, it was fairly uniform within each category itself. One of the preliminary steps therefore is to classify the work in such homogenous categories. This enables the norms to be evolved more realistically as fluctuations between the average and extreme types of work are much less pronounced in each category than in the total work.

If the relative frequency of occurrence of each such category is known, or can be predicted to a fair degree of accuracy, a 'weighted' average can be prescribed as the standard 'norm' for the performance

of that particular job. We have, however, found it more rational to prescribe different 'norms' for different categories and have future inflow of work registered in Diversified Records. Thus the re-designed Registration Records would display the future complexion of work, not only in terms of items of work requiring differing degrees of priority for disposal as explained earlier but also according to degrees of work-content.

In this way, for example, the price finalisation cases in a Purchase Organization were divided into three categories:—

- (i) Cases which involved fluctuations in f.o.b. prices.
- (ii) Cases which involved fluctuations in the price of raw materials like steel, etc.
- (iii) Cases which involved fluctuations in customs duty.

Separate 'norms' were evolved for each one of them since the time required for the performance of the job varied from 5-6 hours for the first category to about half an hour for the last. This scheme of evolution of 'norms' on the basis of actual complexion of the load as against its totality has been found effective in almost every organization studied by us.

A very significant feature of work-measurement studies has been a constant shift from existing 'norms' in terms of incoming documents which are no true index of work-content to 'norms' in terms of distinct items of work, suitably categorised as explained above. Thus standards of performance in purchase units are evolved in terms of indents instead of incoming documents. In price-finalisation units, in terms of various categories of price finalisation cases instead of incoming documents; and in the organization dealing with Government residences, in terms of vacancies instead of total number of residences.

### **Assessment of Staff**

The staffing needs of the organization are worked out by multiplying the standards of performance with total amount of work. The determination of the latter however is not an easy task for the reason that existing records are not maintained to display the work in the same analytical form as indicated by the processes of work simplification and case-studies. This difficulty has been overcome by analysing a sample chosen purely at random and projecting its results to cover the whole work provided they square with the judgment of the officers of the organization concerned. This has led sometimes to differences of opinion, but, by persisting with a large enough sample, agreements have been provisionally reached on the volume of total

work-counts of different categories. As records will in future be maintained on the basis of the suggestions made, the results obtained from the random sample could be tested after a few months.

In working out the total manpower requirements allowance has always been made for such human factors as fatigue, frictional loss etc. This takes the form of an over-all percentage of the total man-hours worked out on the basis of 'norms' of performance.

Simplification of methods of work inevitably leads to saving in manpower. It is at this stage that the enthusiasm of those that are sceptical of this method begins to decline. The difficulties that arise consume a disproportionate time owing to the unwillingness of the authorities to work, on accepted improved methods, with less staff than was in position at the commencement of the study. This reluctance is understandable as the efficacy of new arrangements cannot be demonstrated except by testing them actually in a part of the organization. Usually this succeeds in converting the authorities or in making the work-study analyst wiser about the factors that he miscalculated. Owing to the short time for which the Special Re-organization Unit has been in existence, we cannot say that full use has been made of installing methods to prove their efficacy. We propose to make greater use of this in future as it is a vital part of the system of work study.

### **Organizational Matters**

The work studies, made by us so far, have revealed some interesting problems in organizational planning. The important issue that arose was whether the methods study, work simplification programme, etc., should precede an analysis of the organization at the top, or should it succeed it? Having regard to the circumstances of administrative set-up in the country, it has been found more profitable to make an analysis of the organizational structure only after the methods of work have been carefully planned out and simplified. This is specially true in the organizational set-up of the secretariat of the government. The higher structure is meant partly for some high-grade original work and partly for span of control. Since the latter is more than half the part of the ingredients of supervision, it is necessary that the analysis of the superstructure of the organization should follow the evolution of the design of the basic primary unit, the quality of work and the volume of load that it has to carry.

In this respect we have departed from the normal practice of work analysis adopted elsewhere of segregating organizational studies from methods studies and pursuing both of them more or less as



independent assignments to be linked up later. We have considered them as a continuum; part of the same assignment and reversed the normal pattern of priorities assigned to it in view of the circumstances in which we have to function.

The study of organizational structure is somewhat limited in that certain patterns of a rigid character already exist. The work analyst has therefore to proceed on certain pre-determined systems but the scope for fresh thinking is considerable in spite of the restrictive nature of the atmosphere in which we have to work. We indicate below some of the organizational problems that emerged from our work studies:

(i) *Grading of Personnel*: An assessment of the intrinsic worth of the non-routine steps involved in the performance of jobs entrusted to a work unit indicates the gradation of the person required for the effective performance of that job. Thus, we have found quite often that high cost personnel were being used for intrinsically low cost jobs either because of a strict adherence to the prescribed structure of the primary unit of work or because of high cost and low cost functions being mixed in a work unit. Thus, to a substantial extent, it was the nature of the steps required to be performed that determined the structure of the primary unit of work itself.

(ii) *Assessment of need for functional specialists*: Detailed work-analysis and extensive case-study of the non-routine steps have actually indicated in several studies the need for functional specialists not only in the line but in the lower echelons of organizations entrusted with policy-making so that work gets expedited with the availability of experts at the earliest stage in policy formulation. Such a need was felt in work-units dealing with price-finalisation work, Sales-tax work, etc.

(iii) *Supervisory functions*: Work studies have indicated the need and extent of supervision necessary for the proper performance of jobs. Methods designed to provide the control mechanism determine the span of control of supervisory staff, their means of communication etc. and therefore determine the structural arrangements necessary for effective supervision.

(iv) *Need for segregation of policy and executive functions*: A heterogeneous assignment of functions, involving the exercise of policy as well as executive functions, gets revealed by work studies which involve analysis of procedures emanating from the exercise of those functions. Apart from the organizational merit of segregation of such functions, amalgamation of executive functions with policy functions automatically results in high cost personnel being brought to engage their attention on low cost jobs because of set high-cost patterns of staffing for policy-making organizations.

(v) *Need for functional distribution of work* : Analysis of procedures of work have indicated often the need for functional distribution of work. It was a study of the existing methods of work for dealing with procurement of stores which indicated the separable nature of planning of procurement, process of procurement, and finalisation work and led to functionalisation of purchase work into a Planning Wing, Purchase Wing and Finalisation Wing.

(vi) *Need for avoiding over-functionalisation* : Conversely analysis of existing procedures of work indicated the existence of a swing of the pendulum to the other extreme. Over-functionalisation of work into a Medical Section and Personnel Section in a particular organization lengthened the process of disposal of some items of work and enhanced their work-content.

(vii) *Multiplicity of consideration of important issues* : Analysis of work and case-studies of the non-routine steps in many organizations have indicated, that while for resolution of important issues or formulation of policy, there has to be a multiplicity of 'consideration' at various levels in the organizational hierarchy, the need for papers to move through *each* level in the hierarchy between the level of first handling and the level of final decision needs to be re-assessed.

(viii) *Structure of the primary unit of work* : By far the most important results brought out by work studies has been the importance of the structure of the primary unit of work. Under existing arrangements, there was almost a uniform pattern of staffing of the primary work-unit, viz. a Section Officer in charge of the section with a fixed number of persons 'dealing' with work flowing into the section, assisted by a fixed number of junior clerks for routine work like typing etc. Work studies indicated that with rapidly expanding activities of Government, the complexion of functions now performed is so different that the setting up of the primary unit of work into pre-designed inflexible structures requires reconsideration.

#### *Training work study personnel.*

Lastly, we would like to refer to some of our difficulties. One of them is the lack of trained personnel for work study. We have heard the argument that almost anybody could be inducted into this business. We have found from experience that it is just the wrong way of organising work of this character. New personnel put on this work has brought more troubles and difficulties with the organization under study than we had bargained for. Trained personnel, on the other hand, has considerably assisted the Unit to remove misunderstandings about the nature of work that is being done by us. The personal

qualities required of those undertaking work study have been described in many text-books and we can testify that much of what is written about their intelligence, tact, perseverance, resourcefulness etc., is fully justified. A work-study analyst need not be super-human but he has certainly got to be fully trained in the art of analysis and has to have patience and persuasiveness which should be somewhat extraordinary. Such men cannot obviously be found any where but have to be fashioned out of good material that is available in the various organizations with which a work-study analyst has to deal. We have therefore adopted a number of methods by which the art of work study is not confined to a small unit in the government organization but is broad-based. In several cases we have given a demonstration of the manner in which the work should be done in a couple of primary units and left the rest of the analysis to be made by a person trained from the organization itself but under the general guidance of the Special Re-organization Unit. Secondly, we have undertaken a work study course of persons drawn from different organizations so that they can go back and apply the methods that they have learnt from the Special Re-organization Unit. The first batch has already completed its training. We are also receiving requests from State Governments for either material on the manner in which work study is being carried out or for training their men for that purpose. One of the objectives of work study is that each one of the persons should be able to analyse his work in order to economise on time and increase his efficiency. This is being amply fulfilled by the manner in which we are trying to decentralise this work so that it continues to be done where it is most needed.

## NOTES

### ACTUAL EXAMPLES OF IMPROVEMENTS RESULTING FROM THE APPLICATION OF 'WORK STUDY' TECHNIQUES

#### (i) *Problems of Registration.*

There is almost a dogmatic adherence to chronological registration of incoming documents in most of the government organizations. We have been exploring the possibility, where opportunities exist, of registering documents on the basis of certain identifiable categories, to which varying priorities could be attached for disposal and control. In a Purchase organization, we came across about four categories of incoming documents which accounted for 60-70% of the total work-load. We indicated that at a certain stage the registration of these documents should be changed from a chronological to a diversified character. This not only serves the purpose of easy identification of important items of work which must be controlled if efficiency and economy were desired, but also offered a ready means

of supervision on the bulk of the important work of the unit by senior officials.

(ii) *Organizational Issues.*

We have generally found that much of the confusion in organizational matters arises from the fact that duties are allotted on a composite basis making it possible for the officials at the level of the primary unit of work to concentrate one type of work at the expense of another. As far as practicable we have tried to form basic units of work on the consideration that they should carry out predominantly unified types of duties so that they could not disregard one if there was greater pressure to dispose of the other. This reform was specially introduced in one of the supply organizations for finalisation of contracts. It was observed that by combining purchase and finalisation work the official in charge of the primary unit gave greater attention to the purchase work as it was of an immediate consequence. The lack of proper attention to the finalisation work resulted in a large amount of final payments to suppliers being held up which ultimately reacted on the prices offered for stores in response to tenders. The creation of a separate Finalisation Wing with its own primary units of work is likely to result in improvement in the payment of final bills.

(iii) *Bulking of Indents.*

A purchase organization normally bulks in indents with a view to getting most favourable prices for the largest possible quantities that it undertakes to purchase. It is however necessary that this intention should be followed by carefully laying out the procedure by which bulking becomes an automatic process. It was observed in a supply organization the bulking was being left to the initiative of the lowest official. A procedure was designed, which involved registration of indents in a diversified form, designing of cards for bulking and suggestions for drawing up a time-schedule for receipt of various types of stores, progressive standardisation of indenting vocabulary etc. etc.

(iv) *Applications for Allotment of Residential Accommodation.*

It is one of the interesting features of work in offices that sometimes information is called for which is not directly required or necessary for the purpose of the objective with which the organization is charged. We found that in one of the organizations dealing with allotment of government residence, the existing procedure stipulated that every government employee, even if he were already in occupation of government accommodation, should submit an annual application giving all the relevant particulars. This is no doubt necessary when the application is submitted for the first time, but the important purpose of getting this information annually was to enable the organization concerned to revise the rent owing to changes that might occur in the interval in the emoluments of the tenant. It was suggested that it would be enough if information was obtained for changes in respect of emoluments as they affected the recoverable rent. Under the existing procedure the changes called for in annual applications were categorised, classified and put into many registers and this process was repeated every year though no substantial change had occurred in the particulars of many tenants. In place of existing registers the system of card indices

has been suggested which would eliminate the necessity of the annual re-writing of registers and also accelerate the process of allotment,

(v) Sometimes the existing Rules and Regulations governing the conduct of business, result in uneconomic procedures of work because the circumstances under which the Rules were originally framed have completely altered. An instance of this was found in the organization which dealt with allotment of Government residences. This was the provision for allowing the tenant of a Government residence an *option* to ask for a change of residence. This led to a considerable amount of infructuous work without commensurate benefit to the tenants, *since* extensive case-studies showed that in about 75% of the cases, changes in residence offered in accordance with the preferences exercised by the tenants themselves, were not being accepted by them. This was because the existing Rules permitted the tenant to repeat his request for a change even if he had earlier refused the offer made in response to his own request. The only penalty he incurred was that he could not repeat the request for a period of six months. This provision in the Rules actually accentuated the tendency to apply for change of residence irrespective of the genuine needs of the tenants and incidentally added considerably to the cost both in terms of volume of work involved and the loss of rent as a result of quarters remaining vacant in the process of accommodating the variety of requests for change.

An acceptable suggestion made was that the option for change should be restricted to cases based on economic or other compelling grounds, *e.g.*, distance, lack of educational and other facilities, health grounds, etc. Accordingly, it was suggested that Government residential accommodation be clearly demarcated into various territorial zones within which facilities of the type referred to above would not be materially different. After this the option of 'change' could be restricted to change from one zone to another only. Secondly, to ensure elimination of capricious requests for 'change' it was agreed that failure to accept the change offered in response to the tenant's request should result in his forfeiting his right to a 'change'.

(vi) *No Objection Certificate.*

Another interesting example of work simplification is the procedure for dealing with requests from employees for a No Objection Certificate. Before payment of Pension or Provident Fund is sanctioned, the employee is required to produce a certificate that no rent dues are outstanding against him in respect of any of the Government residence he may have occupied in the past. To be able to furnish this certificate the organization concerned had to search through a large number of rent cards, collect all the rent cards in respect of houses occupied by the employee concerned at any time in the past, scrutinise them, effect outstanding recovery if any and then issue the certificate. Since 'rent cards' had necessarily to be maintained 'house wise' and their number is very large, a search for all the rent cards relating to houses occupied by a particular person, was a very laborious process which resulted in considerable delay in the issue of 'No Objection Certificate'. An evident solution which readily suggested itself was the maintenance of occupant-wise cards (or personal ledger accounts) *in addition* to the house-wise rent cards, which for valid accounting reasons could not be dispensed with. But the maintenance of such cards *in addition* to the rent cards was likely to result in an almost doubling of the effort necessitating the

additional employment of about hundred persons. This was considered incommensurate with the percentage of defaulters which constituted hardly 5% of the total number of tenants. An acceptable solution was found in this, that every time a new rent card was opened for a person who had shifted from an earlier Government residence the distinctive number of the old rent card was jotted down on the new rent card to facilitate back reference if and when necessary. To eliminate the need for back reference, a suitable table was suggested to be superscribed on the rent cards themselves so that any arrears of rent relating to the earlier house could be carried forward to the new rent card.

(vii) *Utilization of Personnel.*

An illustration of high cost personnel being utilised on low cost jobs because of defective procedures of work was found in an organization dealing with grant of scholarships. Under the existing method, applications on first receipt were made into convenient bundles and passed round the various Sections. Each Section Officer in his turn scrutinised all the applications in a bundle to pick out those dealt with in his Section and passed the rest on to other Section Officers. This procedure of sorting was entrusted to senior supervisory staff. An acceptable solution to speedier and less expensive sorting was found in prominently superscribing on the prescribed form of application, a check table in which the applicant could indicate the necessary particulars such as the State of Domicile etc. which formed the basis of work distribution in the organization. In this way sorting could be effected at the very stage of receipt by low cost 'sorters'.

(viii) *Work-content of Jobs.*

An interesting illustration of methods analysis leading to reduction of work-content of jobs was found in a unit of work charged with accounting work ancillary to the grant of scholarships. One of the items of work in this unit was the compilation of a list of students awarded scholarship arranged State-wise/caste-wise/institution-wise. Under the existing procedure, this was compiled from a Register in which relevant entries were being ledgerised. The basic record from which this posting was made was a copy of the Bills sent to this Unit by the Units dealing with the award of scholarships. This annual posting involved a lot of effort. As a result of study of a large number of copies of the bills which formed the basis of posting it was suggested that if the object of maintenance of the Register was only to prepare a classified compendium of awards, it would be much more easily and effectively done if the copies of the bills themselves could be sorted out and classified instead of being posted into Ledgers. This was actually tried out in one working season and found to result in a speedier disposal of work with much less effort.

## STATEMENT 'A'

## JOB DESCRIPTION SHEET

Job No. \_\_\_\_\_

Frequency of Occurrence: \_\_\_\_\_

Section \_\_\_\_\_

Description of Job:—*Regularisation of Delivery Period with/without liquidated damages.*

S. No.	Constituent Operation	Performer	S.F. if any	C.R.	Remarks
1.	Receipt of file in the Finalisation Section (with indenter's report regarding loss suffered) or after the period specified in the provisional extension of D.P. for sending such report.	L.D.C.			
2.	Registration in diversified receipt register, distribution of file to dealing clerks, according to standing order issued by the Supervisor with the approval of the Officers. (The Supervisor to check registration and distribution weekly to ensure compliance).	L.D.C.			
3.	Receipt of file, entry in diversified case register ; examination of relevant documents (and simultaneous filling up and referencing of revised form W.S.B. 150).	U.D.C.			
4.	Checking of entries in form W.S.B. 150 and submission to A.D.	Supervisor.			
5.	Sample scrutiny of entries in form W.S.B. 150, recording of recommendations/decisions regarding levy of liquidated damages, marking to Control Officer where necessary.	A.D.			
6.	Recording orders on the file and submitting case to D.D.G. where necessary.	Cont. Officer.			
7.	On receipt back of file, perusal and return to office.	A.D.			

S. No.	Constituent Operation	Performer	S.F. if any	C.R.	Remarks
8.	Noting in case register, preparation of draft amendment letter and resubmission of file.	U.D.C.			
9.	Scrutiny of draft and approval.	A.D.			
10.	Cutting of stencil and return to U.D.C.	Steno/Typist.			
11.	Comparison of stencil and submission to A.D. for signature ; indicating on stencil the number of copies required.	U.D.C.			
12.	Signature on stencil and return.	A.D.			
13.	Despatch of above to Duplicating Section.	L.D.C.			
14.	Preparation of copies and return to Section.	Duplicating Section.			
15.	On receipt of fair copies submission to A.D. of the number of copies requiring his signature.	L.D.C.			
16.	Signature on copies and return.	A.D.			
17.	Despatch of letters, entry in diversified register and the register of amendment letters and return of file to dealing clerk.	L.D.C.			
18.	Docketing of letter issued noting disposal in case register, entering amendment in the original acceptance of tender and putting up file for despatch to the Unit concerned with further action.	U.D.C.			
19.	Initialling the amendment in the original Acceptance of tender and signing the note on the file.	Supervisor.			
20.	Despatch of file to the Unit concerned and of one copy of transfer challan to the Registration Unit.	L.D.C.			



## STATEMENT 'B'

## JOB DISTRIBUTION SHEET

Description of Job :—Regularisation of Delivery period with/without liquidated damages

Control Officer	A.D.	Supervisor	U.D.C.	L.D.C.	Typist	Remarks
6. Receipt of file, passing of orders, marking to higher officers, where necessary.	5. Sample scrutiny of entries in form WSB 150 recording of recommendation/decision regarding levy of liquidated damages, marking to Control Officer, where necessary.	4. Checking of entries in form WSB 150 and submission to A.D. 19. Initialling the amendment in original Acceptance of Tender and signing on file.	3. Receipt of file, entry in diversified case register; examination of relevant documents. 8. Receipt of file, noting in case register, preparation of draft amendment letter and submission. 11. Comparison of stencil and submission to A.D. for signatures: indicating on stencil the number of copies required. 18. Receipt of file, docketing, noting disposal in case register and entering amendment in the original A.T. and putting up file for despatch to Unit concerned.	1. Receipt of file. 2. Diversified registration and distribution to dealing clerks. 13. Receipt of stencil and despatch to Duplicating Section. 15. Receipt of copies and submission to A.D. for signature in signature pad. 17. Receipt back of file, despatch of copies and return of file to dealing clerk. 20. Despatch of file to Unit concerned and one copy of challan to Registration Unit.	10. Cutting of stencil and return to U.D.C.	
	7. Perusal of file received back from higher officer. 9. Approval of draft amendment letter. 12. Scrutiny, signature on stencil. 16. Signature on copies.					

# STATEMENT 'C'

## TIME SHEETS

Description of Operation/Step \_\_\_\_\_  
 Constituent sub-steps \_\_\_\_\_  
 Name of performer \_\_\_\_\_  
 Designation \_\_\_\_\_  
 Nature of duties performed by him in the past \_\_\_\_\_

No. of items given	Time of		Breaks if any		Remarks
	Commencement	Completion	Duration	Reason	

Designation/Signature (s) of presiding officer(s)

## WORK DISTRIBUTION

Description of Job	Total Man Hours	Section Chief	M. H.	Analyst	M. H.	Case Director
Issue certificates Class 127A	121	Policy review recommendations Field review and sign recommendations	17 6	Preparing recommendations for actions	19	Checking drafts for form Checking final statements for form
Issue certificates Class 127B	54	Reviewing and signing	7	Checking for form Re-checking approvals	7 2	Preparing approval notices
General Public Inquiry Service	19	Interviewing callers	2	Preparing daily report Interviewing callers Dictating replies to special inquiries	6 2 1	Interviewing callers
Furnishing case data to compliance division	24	Reviewing	2	Checking for form Gathering data	1 1	Gathering data Dictation Revising
Administration	34	Confer with pers. office Conference Preparing Budget request	6 4 3	Staff conference	2	
War effort and employee welfare	17	Making speeches	1	Making car pool arrangements Keeping credit unit records	2 3	Arranging Blood Bank Writing Army Newsletter
	269		48		46	

BUTION CHART

M. H.	Correspondence Clerk	M. H.	Head Stenos Pool	M. H.	Steno in Pool	M. H.
6	Dictating acknowledgements	16	Proofreading acknowledgements	6	Checking addresses	6
10	Signing acknowledgements	4			Type answers, drafts, statements	20
					Take dictation	11
13	Tabulating	11	Proofreading Selecting field applications Type '51' forms	2 3	Checking applications for address Changes Numbering applications	4 2
1	Interviewing callers  Preparing cumulative report	2 1	Assembling materials	3	Interviewing callers	1
5 2 3	Tabulating and checking figures	3	Check field men's names Laying out reports Code into requests	2 2 2	Tabulating data	1
	Posting attendance records  Preparing administrative reports	3 2	Hearing grievances Trg. new emp. Proofread steno work	1 3 10		
1  1			Bond selling records Collect Hosp. payments Collect health payments	3 2 1	Handling arrangements for girls' baseball team.	3
42		42		43		48

## EDITORIAL NOTES

Under Shri *S.B. Bapat's* editorship for more than three years, this Journal has established its pre-eminence as a forum for discussion of problems of public administration in this country. The objectives have been clearly laid down, and the course set; and the utility of the Journal to students and practitioners of public administration—and to the wider public interested in public affairs—is no longer in doubt. The present Editor has thus a somewhat easier task. It will be his endeavour to maintain the standard set by his predecessor.

\* \* \* \*

There has been a remarkable administrative growth since Independence. With the extension of governmental activities, numerous new agencies have come into existence, ranging from the Planning Commission at the Centre to the Village Level Worker in the countryside. There has been a wealth of experimentation, for instance, in the form of management of public enterprises. In addition, there has been a great volume of small changes in the pre-Independence administrative organisation, often in the shape of improvisations and adaptations, or shifts of emphasis from one function to another, for example, from law and order to those of economic development and social welfare. Underlying the changes, there has, no doubt, been a sense of direction, determined by a well-defined political ideology; and the cumulative effect of the changes has been considerable. Yet, it remains true that, during the first few years, the immediate objective and the individual situation determined the nature of the change, or the character of the new agency that was brought into being. Latterly, however, increasing thought has been given to the basic concepts and philosophy underlying the Indian administrative system, and much rethinking on the more fundamental issues has been in evidence. To give but a few examples, a great deal of thought is being given to the accountability of semi-autonomous State enterprises to Parliament, and their relationship with the Central Executive; the problem of democratic decentralization of authority beyond the level of district administration has been subjected to a comprehensive examination by the Balvantray Mehta Study Team on Community Development and National Extension Service; and a Commission of Enquiry (the Pay Commission) has been set up to examine, among other matters, the *principles* which should govern the structure of emoluments and conditions of service of the Central Government employees. Qualifications for recruitment to

the public services have been re-examined by another committee; there has been fresh thinking on the importance and the nature of the training of public servants; and the place of the scientist, technologist, economist and statistician in the administrative structure is being re-determined. The issue of Administrative Tribunals is being raised not at the academic level as in the past, but as a matter of practical importance; and a public discussion is in progress as to the precise content of the accepted idea of political neutrality of civil servants.

With more than ten years of practical experience, it is right that there should be fundamental rethinking on the basic problems of public administration, and this Journal will be glad to further this process by lending its columns for a critical discussion of those problems.

—*L.P. Singh*

## RECENT TRENDS IN PUBLIC ADMINISTRATION IN INDIA

### I. Services Organisation, Recruitment and Training

The trends towards strengthening and stabilisation of the existing administrative services, creation of new functional cadres, broad-basing of training programmes and improvement of recruitment procedures continued. In order to ensure that there is no deficiency in any of the State cadres by the end of the Second Plan, the Central Government has fixed the minimum quota for annual recruitment to the Indian Administrative Service at 70. About 45 out of the 102 new recruits to the I.A.S., under the recent Special Emergency Recruitment on the basis of the open competitive examination held in December 1956, will undergo a training course beginning in Simla early in June; the remaining will proceed for field training. In view of their previous experience, the period of training will be shorter (about 6 months) as compared to that of direct recruits selected annually from the age category 21-24.

The Central Government has also approved of a proposal to set up a National Academy of Administration. In addition to giving professional training to direct recruits to the I.A.S. and the refresher course at present provided at the I.A.S. Staff College, Simla, the Academy will provide a common 'background and foundational' course for direct recruits to the All-India and Class I Central (non-technical) Services. It would be for the first time that the direct recruits to the Class I Central (non-technical) services will be put through a foundational course of study and training designed to develop in them an appreciation of the constitutional, economic, social and administrative framework within which they are to function. The fact that the foundational course will be common will help to develop among recruits to different services a feeling of belonging to a common public service, and a broadly common outlook. In due course, the separate training programmes for the various services also may be concentrated in this National Academy of Administration. The Academy may also arrange short courses, seminars, conferences etc. lasting for a week to a month for the benefit of more senior officers—ordinarily those with about 15 years of service. These courses may deal with the higher problems of government or with special subjects, for instance, Planning, Fiscal Policy, Social Security, Inter-Departmental Co-ordination, etc., suitable for senior officers. Some of these courses may be so arranged as to be useful for technical as well as administrative officers.

The trend towards the creation of functional cadres has received further impetus with the sanctioning of new cadres of a Central Information Service for manning posts in the Press Information Bureau, News Divisions of the Ministry of Information and Publications and Research and Reference Service and an Inspection Service under the Director-General of Supplies and Disposals. A Central Health Service is in the process of being constituted; rules have been framed for the proposed Central Legal Service, and

recruitment is under way for the Central Industrial Management Pool. Selection of officers for the Central Administrative Pool has been finalised and the Pool is expected to formally come into being in near future. A Cabinet Committee is at present working out the blue-prints of Economic and Statistical Services. The Central Government is preparing an all-India panel of names for all fresh appointments of High Court Judges; the new policy is designed to ensure high quality of personnel recruited, as also to help in ensuring that at least a third of the total number of judges of High Courts come from outside the State concerned.

In *Andhra Pradesh*, the State Government has constituted the personnel of the Treasury and Accounts organisations in the Andhra and Telengana areas, (except those of the Accounts organisation in the Electricity Department), into separate gazetted and non-gazetted services with uniform scales of pay and other conditions of service. The new gazetted service will be known as the "Treasury and Accounts Service" and non-gazetted service as the "Treasury and Accounts Subordinate Service".

Recent discussions in Parliament on the annual report of the U.P.S.C. centred round the desirability of improving the educational standards of candidates taking competitive examinations, importance of enlarging the scope of public service commissions to cover recruitment to the autonomous public sector and the need for caution in the use of the personality test.

Following the lead given by the Centre in the matter of the liberalisation of recruitment policies, the *Kerala* Government decided to throw open public appointments to ex-convicts. The State Government holds that such ex-convicts as by their disciplined life in prison and by their subsequent conduct, have proved that they have been completely reformed, should not be discriminated against for purposes of appointment to Government service on grounds only of their previous conviction. The principles on the basis of which these appointments are to be made have been laid down in consultation with the State Public Service Commission.

## II. Manpower Planning

Suitable machinery for the organisation of manpower studies (mentioned in the last review) and for the consideration of manpower problems is being gradually built up in the States. Almost all the State Governments and the Central Ministries have designated Manpower Officers. Some States have set up Cabinet Committees on Manpower; others have established Officers' Committee; and some have set up both. The Officers' Committees are in the nature of steering groups on which all departments concerned with manpower problems are represented. There also exists at the official level, a steering committee at the Centre, and a Cabinet Committee on Manpower.

Increasing attention is now being paid to manpower planning for the Third Plan and for long-term needs. The Perspective Planning Division of the Planning Commission is making some 'normative' studies to work out broad dimensions of long-term manpower requirements for major sectors of the national economy. The Planning Commission has agreed that training programmes during the remaining period of the Second Plan



should be isolated and not subjected to the normal pruning applied to other programmes. The Commission has also suggested to State Governments to prepare estimates of manpower requirements, where shortages are apprehended, on an *ad hoc* basis so that top priority may be given to increase training facilities correspondingly during the remaining years of the Second Plan. The overall trend thus is to relate expansion of training facilities to manpower needs for the Third Plan.

The First Conference of State Manpower Officers, which was convened in New Delhi on April 8 and 9 by the Central Manpower Directorate, considered the problem of general approach to the assessment of requirements for and the sources of different categories of trained personnel for the Second and Third Plans; it also reviewed the progress made in the different States in regard to the establishment of manpower organisations, studies and training programmes. It recommended that the progress of training programmes should be reviewed at regular intervals to ensure their timely execution; studies should be undertaken in all States for assessing manpower requirements during the Third Plan and early action taken for stepping up training programmes, and the State Manpower Officers, who are usually senior officers with other heavy responsibilities, should be assisted by a whole-time junior officer, where necessary. The Conference also recommended that State Governments should send, to the Central Manpower Directorate, a report every year on the progress of manpower planning; the manpower data thus collected will be shifted in the Directorate and put up to the Cabinet Committee on Manpower.

Efforts in the direction of the utilization of trained technical personnel at present abroad are being stepped up. The National Register Unit of the Council of Scientific and Industrial Research has recently published four directories which contain valuable and comprehensive reference data regarding Indian scientists, technologists, engineers, medical personnel, business administrators, accountants and others in foreign countries. More such directories will be issued as further information is collected about Indians abroad. The purpose of the directories is to assist Government departments, industrial organisations, educational and technical institutions, etc., in finding highly qualified personnel, and also to help in the proper utilization of the training and experience of persons with high foreign qualifications. The Unit has also circulated, both to individuals and employers, index cards for registration of scientific and technical personnel in India; employment exchanges are assisting in the filling up and collection of these cards.

### III. Salary Scales, Conditions of Work, etc.

In a recent judgment relating to the decisions of the Wage Board, constituted under the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955, the Supreme Court has clarified certain background issues about the general concept of Minimum Wages. The Court has emphasised that whereas the bare minimum of subsistence wage would have to be fixed irrespective of the capacity of the industry to pay, the statutory minimum wage postulates the capacity of the industry to pay. In Kerala, the Pay Revision Committee, presided over by *Shri R. Sankararayana Iyer*, a retired High Court Judge, has recommended revised and

unified pay scales for gazetted and non-gazetted officers in the whole state. It has suggested that dearness allowance should be linked to the cost of living index. An improvement in the present minimum scale of Rs. 25-35 has also been suggested, while the maximum pay has been generally kept at Rs. 1,000. The Committee has also recommended measures for increasing efficiency, for avoiding discontent on account of stagnation, and for removing anomalies. The *Madhya Pradesh* Government has set up a Cabinet Sub-Committee to review the question of salaries and allowances paid to Ministers and Deputy Ministers, and the Speaker and the Deputy Speaker of the Legislative Assembly in the State.

The question of affording suitable relief to pensioners has also attracted attention in recent months. While the Central Government is reported to be considering a proposal for increase in pensions of the retired civil servants who have obviously not benefited from the recent concessions, the *Assam* Government sanctioned, with effect from April 1958, an additional temporary increase of Rs. 10 p.m. in all civil pensions below Rs. 300, in addition to the existing rates of temporary increase admissible on small scale pensions.

Considering the hardship caused to families of non-gazetted Government servants who die while in service, due to delays in the settlement of their claims for compassionate gratuity or death-cum-retirement gratuity, the State Government of *Mysore* has authorised Heads of Departments to sanction an advance equal to two months' pay on the basis of the pay last drawn, subject to a maximum of Rs. 500, if the family concerned has been left in indigent circumstances and is in immediate need of financial assistance.

At the Centre, the welfare organisation, which is gradually coming up, with a Chief Welfare Officer in the Ministry of Home Affairs, has recently initiated an enquiry into the living conditions of Central Government employees; steps have also been taken to organise recreational facilities. The organisation will collect and maintain complete data about the name, nature of employment and salary of each employee; but data will be assembled about living conditions only on a sampling basis. The *Rajasthan* Government has decided to set up two separate staff Councils in respect of the Secretariat staff—one in respect of Ministerial staff and the other in respect of Class IV employees. The Councils will be advisory bodies to consider any of the matters relating to the conditions under which the members of staff are required to work. The Government of *U.P.* has decided to award tokens of appreciations and medals each year to Government servants for work of exceptional and outstanding character. For this purpose, a sum of Rs. 500 has been placed at the disposal of every Head of Department, except in certain cases.

In matters of employees' conduct, the Central Government proposes to amend the conduct rules to provide for action against employees even after retirement on grounds of negligence of duty or corruption. The State Government of *Mysore* has issued fresh instructions reiterating that Government servants cannot make representations through their relatives, non-officials, or members of political parties.

The *Jammu and Kashmir* Government has promulgated the J. & K. Civil Services (Disciplinary Proceedings Tribunal) Rules, effective from March 1, providing for the appointment of a Tribunal with a single member of the rank of a District and Sessions Judge or one who possesses qualifications under the State Constitution for being appointed as a judge of the High Court. The cases to be referred to the Tribunal shall be those (1) relating to Government Servants of gazetted rank in respect of matters involving corruption in the discharge of their official duties; and (2) all appeals or petitions to the Government against orders passed on charges of corruption and all disciplinary cases in which the Government proposes to revise original orders passed on such charges; but in the latter case the orders, etc., may not be referred to the Tribunal.

#### IV. 'O & M'

The drive towards economy and the trend towards administrative reorganisation are gradually stimulating rethinking of the basic concepts underlying the pattern of O & M work evolved in India during the last 3 years. The techniques of work study have been applied successfully to office organisation and management by the Special Reorganisation Unit of the Economy Division of the Union Ministry of Finance; an account of this pioneer work in India is given elsewhere in the *Journal*. A six-week course in Work Study was organised recently by the S.R.U., in co-operation with the Central O & M Division; it was attended by about 10 Section Officers. Instruction was imparted mainly by group discussions and practical assignments. Problems actually encountered by the S.R.U. in Work Studies conducted by it were given to the trainees as practical problems for finding a solution. A Committee of Officers, set up by the Central O & M Division, is at present engaged in a survey of the Pilot Section Scheme which was launched as an experimental measure in September 1956; the object of this scheme is to avoid unnecessary noting and movement of papers and to make Junior Section Officers directly responsible for disposal of work, unaided by any dealing Assistant.

The recent Report of the Estimates Committee on the functions and organisation of the Planning Commission has raised the question of the exact role of staff agencies. The Committee has observed that the Planning Commission is not just an advisory body but an additional authority to be reckoned with—a feeling which has grown in consequence of the present responsibilities of the Commission in matters of allocation of resources and fixation of priorities. The Committee is opposed to any further association of the Prime Minister and other Union Ministers with the Planning Commission; it feels that the co-ordination with the Cabinet can be maintained by a representative of the Commission attending the meetings of the Cabinet when a matter of interest to the Commission is to be considered. The Committee considers that part-time employment of officers of the Central Ministries in the Commission's office militates against freshness of outlook and independence of judgment. While appreciating the work of the C.O.P.P., the Committee is more favourably inclined towards the type of external evaluation at present undertaken by the Programme Evaluation Organisation of the Planning Commission.

The economy drive has resulted in a saving of Rs. 13.86 crores at the Centre, a portion of the saving having been effected by curtailment of the

existing schemes and abandonment of new projects. In *Andhra Pradesh*, in pursuance of the proposals of the Economy Committee, the State Government has decided that the number of departments in the Secretariat should be reduced by two and the posts of two Secretaries to Government and four Deputy Secretaries should be abolished. It has also decided to abolish the Social Welfare and Labour Department and to combine the Departments of Health and Local Administration. The *Assam* Government has re-allocated the subjects as between the various Secretariat Departments on the basis of 'coherent missions'. The list of subjects has been reviewed so as to constitute new Departments, each dealing with a closely allied group of subjects. The review has also led to a more equal distribution of work loads. It has also decided that as far as possible, one Secretary should report to one Minister only. In the past one Secretary had often to serve as many as three or four Ministers. The *Assam* Government has also appointed a Cabinet Sub-Committee under the chairmanship of the State Chief Minister to ensure high-level attention to improvement of administration. In *Kerala*, the Secretary, Administrative Reforms Committee, has been asked to examine and report on the possible measures of economy in the administration. A Sub-Committee, consisting of the Chief Minister and the Finance Minister, has been constituted to consider the proposals submitted by the special officer and pass orders on them quickly.

At the Centre, the Ministry of Education is being reorganised to ensure better co-ordination, speedy and effective implementation of various educational schemes under the Second Five Year Plan, both in the State and Central spheres. The reorganised Ministry will have 8 Divisions. As a result of the reorganisation, educational Divisions dealing with the stages of education proper will not be burdened with executive functions and miscellaneous items of work. The three Divisions, viz. Elementary & Basic Education, Secondary Education and Higher Education & UNESCO will have specialised staff working mainly on developmental schemes, gathering technical knowledge and organising research which may be necessary for the implementation of the Plan schemes and for the formulation of subsequent plans. The Ministry has also recently set up a National Committee on Women's Education under the chairmanship of *Shrimati Durgabai Deshmukh*. The Committee's terms of reference include measures to make up the leeway in women's education at the primary and secondary levels as well as methods of encouraging a larger number of women to go into vocational trades.

## V. Community Development and Local Government

With the approval of the revised programme by the National Development Council, Community Development enters into a new phase of expansion and stabilisation. The revised programme makes no distinction between the national extension service and community projects. The community development programme will now be divided into two stages, each lasting five years. During the first stage, the schematic block budget will be of Rs. 12 lakhs; and during the second, of Rs. 5 lakhs. A pre-extension period of one year will precede the first stage, primarily for purposes of commencing agricultural production programme. Instead of the entire rural area being covered by the end of the Second Plan, the last set of blocks will be allotted in October 1963. The Central Committee on Community

Development recently recommended a new pattern for the block development programme with the village panchayat, co-operative and school as the base, together with a statutory body at the block or district level with full responsibility for planning and implementing the programme. Action is also afoot to ensure that the implementation of the programme is not held up due to shortage of trained personnel. The Ministry of Community Development has started shortly a Central Institute of Study and Research in Community Development at Mussoorie; the Institute will hold short reorientation courses for key administrative and technical personnel engaged in the field of community development; Members of Parliament and of State Legislatures and public men may also participate in these courses. The Institute will later have a full-fledged research wing to examine practical problems.

In U.P. the State Government has abolished District Boards and promulgated an ordinance providing for the establishment of *Antarim Zila Parishads* (interim District Councils), which will combine the functions of district planning committees and district boards. In Madras, the Government has passed orders constituting District Advisory Committees to advise the Special Officers in regard to their respective district boards.

The Bombay Government has modified the constitution of the State Council for Panchayats to provide that the Deputy Minister for Village Panchayats will now be the Vice-Chairman and a lady member and a member of the Scheduled Castes interested in village panchayat work will also be nominated by Government on the Council. This will increase the number of non-official members from 19 to 21. The constitution of the Divisional Councils for Panchayats has also been amended to provide for the nomination of one member of the Backward Classes conversant with the working of village panchayats. Legislation is being undertaken to unify the different laws relating to village panchayats in force in the State.

At the Centre, the draft Model Act for Gram Panchayats has been finalized and printed. The draft Model of the Municipal Act is under print and the draft Model of the District Board Act is still under preparation.

A recent survey of the borrowings and investments of local authorities, made by the Reserve Bank of India, has revealed that the percentage of total investments to total debt has arisen from 77 per cent in 1951 to 83 per cent in 1957. Total income of all local authorities included in the survey amounted to Rs. 99 crores in 1956-57 and total expenditure to Rs. 100 crores, showing an increase of Rs. 31 and 47 crores respectively since 1951-52. Taxes formed 32 per cent, borrowings 14 per cent and Government grants 5 per cent of the income in 1956-57. "Administration" formed 12 per cent of the total expenditure in 1956-57; water supply, drainage, etc., 19 per cent; and roads and buildings, 7 per cent. The Survey covered 54 local authorities consisting of 39 municipalities, 11 city corporations and 4 port trusts.

A recent significant development in the field has been the convening of a National Conference on Community Development at Mount Abu from May 20 to 24. This Conference, which, in effect, was the Seventh Development Commissioners' Conference, also included representatives from all

development departments of State Governments and from all Central Ministries concerned with development work.

The Fifth Report of the Programme Evaluation Organisation, on the working of the community development and the national extension service programmes, has revealed that the population covered by the community block is, on an average, 25 per cent higher than the prescribed figure; the number of villages covered by the *Gram Sevak* is also 25 per cent higher and its area of operation too large. It has been noticed that people's participation declines as the block-period moves towards its end. The shortage of block personnel continues and block development officers of a higher calibre than at present will be needed for the success of the revised programme. It recommended that stress should be laid on the development of extension work in fields besides agriculture, specialists should be relieved of administrative work, contact between the block specialist and the *Gram Sevak* should be developed and the procedure for making funds available to the block simplified.

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## INSTITUTE NEWS

### *Fourth Annual General Body Meeting*

At the fourth annual meeting of the General Body of the Institute, held on April 5 at Sapru House, New Delhi, **Shri Jawaharlal Nehru** was unanimously elected President of the Institute for the year 1958-59. The meeting also passed the annual accounts and adopted the annual report, for the year 1957.

### *Elections to the Executive Council*

As required under Rule 14(5) of the Rules of the Institute, elections to 8 vacancies in the membership of the Executive Council were held in February-March. The following persons have been elected to the Council for a period of 4 years.

- |                             |   |
|-----------------------------|---|
| 1. Shri C. D. Deshmukh      | Chairman, University Grants Commission.                               |
| 2. Shri V.T. Krishnamachari | Deputy Chairman, Planning Commission.                                 |
| 3. Shri A.D. Pandit         | Chief Commissioner, Delhi.  |
| 4. Shri S. Ranganathan      | Secretary, Ministry of Commerce and Industry.                         |
| 5. Prof. S.V. Kogekar       | Principal, Fergusson College, Poona.                                  |
| 6. Shri P.R. Nayak          | Commissioner, Delhi Municipal Corporation.                            |
| 7. Shri N.H. Athreya        | Director, Modern Management Council, Bombay.                          |
| 8. Shri Jai Prakash Jain    | Department of Civil Aviation, Ministry of Transport & Communications. |

### *A New Editor for the I.J.P.A.*

**Shri L.P. Singh**, I.C.S., Member-Secretary, Central Pay Commission, has been selected by the Executive Council of the Institute as the Editor of the *Indian Journal of Public Administration* in place of **Shri S.B. Bapat** who has joined the United Nations Secretariat. **Shri L.P. Singh** was Chief Secretary to the Government of Bihar from 1948 to 1956 and was appointed in September 1956 as Officer on Special Duty in the Union Ministry of Home Affairs to conduct an enquiry into the organisation etc. of the All-India and Central Services — a position which he still holds. **Shri Singh** has also been the Director of the Central Directorate of Manpower since its inception in November 1956.

### *Election of Honorary Treasurer*

The Executive Council, at its meeting held on April 6, elected *Shri S. Ranganathan*, I.C.S., Secretary, Union Ministry of Commerce and Industry, as Honorary Treasurer of the *Institute* for a period of two years.

### *Election of Chairman and Co-option of Members of the Executive Council*

The Executive Council also re-elected *Shri V.T. Krishnamachari* as its Chairman and co-opted *Shri N.V. Gadgil*, *Shri G.L. Bansal* and *Shri L.P. Singh*, I.C.S., as members for the year 1958-59.

### *Essay Prize Competitions*

Nine entries were received by the *Institute* for the Public Administration Essay Competition, 1957; the essays were scrutinised by a Committee of three Judges, consisting of Prof. Phillips Bradley, Head, Department of American History and Institutions, Indian School of International Studies, *Shri N.K. Sidhanta*, Vice-Chancellor, Calcutta University, and *Shri C.S. Venkatachar*, I.C.S. (retd.), formerly Secretary to President. The Judges considered that none of the essays merited the first prize (Rs. 1,000); and so two second prizes (each of Rs. 500) were awarded as follows :

- (1) *Shri N.K. Bhojwani*, Secretary, Department of Parliamentary Affairs. "The Problem of Administrative Tribunals."
- (2) *Dr. Iqbal Narain*, Lecturer in Political Science, Agra College, Agra. "Some Aspects of the Management of Public Enterprises."

The prizes were handed over to the recipients by *Shri Jawaharlal Nehru*, the *Institute's* President, at the time of the Fourth Annual General Body Meeting on April 5, 1958.

The *Institute* is also glad to announce a second Essay Competition. The subjects for 1958 competition are : (a) Present-day Administrative Practices; (b) Problems in Public Administration; (c) Comparative Studies in Public Administration; (d) Historical Aspects of Public Administration; and (e) Problems in the Theory of Public Administration. The essay adjudged best will carry a prize of Rs. 1,000. A second prize of Rs. 500 may be awarded for the second best contribution.

The essay is to be submitted (in English) under a *nom de plume* on the outside, and should be of approximately 10,000 words. The full name and address of the competitor should be given on a separate sheet of paper and enclosed in a sealed envelope bearing the *nom de plume* on the outside. In assessing the essay, the Judges will consider both the substance and suitability for publication. The awards will be given at the Fifth Annual Meeting of the *Institute* to be held in April 1959. Closing date for the Competition is December 31, 1958.

### *Study Teams and Projects*

The *Institute* has set up, in co-operation with the Town Planning Organization of the Ministry of Health, a joint Study Team on Deconcentration of Government Offices in Delhi. The problems to be studied include :



(1) How controllable is the concentration or deconcentration of the Union's activities, overall or by particular functions? (2) What would be the specific effects of a given level of concentration or deconcentration upon (a) The Union Government, and (b) the planning entity, Delhi? (3) What should be public policy concerning the volumes or types of Union activities to be carried on in, or away from Delhi?

The descriptive study of the structure and functions of the various Ministries and departments of the Central Government, entitled 'The Organisation of the Government of India', will be published shortly by the Asia Publishing House, Bombay, on behalf of the *Institute* (price : Rs. 15).

The proceedings of the Seminar on Administrative Problems of State Enterprises in India, held in December last, have already been published by the *Institute* itself (price : Rs. 2.25); work has recently been started for the preparation of monographs on selected problems of public enterprises.

### *Conferences and Seminars*

The Second Annual Conference of the members of the *Institute* was held at Sapru House, New Delhi, on April 5, in two sessions. The first session on 'The Pattern of Rural Government (from the Village to the District level)' was inaugurated by *Shri V. T. Krishnamachari*, Deputy Chairman, Planning Commission, and Chairman of the Executive Council of the *Institute*.

The session on 'Administrative Problems of State Enterprises' was inaugurated by *Shri Manubhai M. Shah*, Minister for Industry, Government of India.

A Seminar on 'Improving City Government' is being convened by the *Institute* at Bangalore in September next. It will be attended by representatives of Central and State Governments and municipal corporations and important local bodies, university professors, and other experts in the field. The agenda for the Seminar, which will be directed by *Shri P.R. Nayak*, I.C.S., Commissioner, Delhi, Municipal Corporation, will include : (1) Relations between the Executive and the Deliberative Agencies; (2) Finances and Functions; (3) Public Participation; (4) Development and Redevelopment of Cities.

### *First Regional Conference on Public Administration, Philippines*

The First Regional Conference on Public Administration was held at Manila (Philippines) from June 7 to 21. The main objective of the Conference was to promote the adoption of appropriate and adequate administrative systems and practices intended to advance the economic and social development of the region. The agenda of the Conference included (1) Administration of economic and social planning and programmes (central and local governments); (2) Education, recruitment and training for the Public Service (central and local governments); and (3) Proposals for the creation of a permanent institution of public administration in the region.

The Government of India sent a delegation consisting of *Prof. V.K.N. Menon*, Director, I.I.P.A., (Leader); *Prof. M.V. Mathur*, Head of the

Department of Economics, University of Rajasthan; and *Shri B.N. Tandon*, I.A.S., Under Secretary to the Government of India, Central Pay Commission. Prof. Menon also represented the International Institute of Administrative Sciences.

#### *I.I.A.S. Round Table, Liege*

As previously announced, the I.I.A.S. will hold its 1958 Round Table at Liege, Belgium, in the new Palais des Congres, from June 27 to July 3. The *Institute* will be represented at the Round Table by *Prof. V.K.N. Menon*, the Director; *Shrimati Dr. Seeta Parmanand*, M.P.; and *Shri R.C. Dutt*, I.C.S., Establishment Officer to the Government of India.

#### *The Building Programme*

The construction of buildings for the Institute's Offices, Library and the School have made further progress. The School is likely to start functioning with effect from October 23, by which time the buildings will be ready for occupation. The Government of India has also approved the construction of an Assembly Hall with sitting accommodation for nearly 600 persons.

#### *Mysore Regional Branch*

*Dr. H. Dietmar*, Consul-General for Federal Republic of Germany at Bombay, addressed on May 1, at Bangalore, the members of the Mysore Regional Branch on 'Administrative Structure of the Federal Republic of Germany'.



## DIGEST OF REPORTS

ESTIMATES COMMITTEE, 1957-58, 10th and 15th Report (Ministry of Education and Scientific Research—Technical Education, Pt. I and II). New Delhi, Lok Sabha Secretariat, iv, 60p. Rs. 0.95 n.P. and iv, 75p. Rs. 1.06 n.P., respectively.

### (A) 10th Report

#### I. Development of Technical Education

1. (i) The problems of inadequate financial provision, dearth of qualified teachers, absence of an integrated programme for vocational, trade apprentices and higher technical education and scanty equipment, have persisted throughout the last decade.

(ii) The tasks to be undertaken by Government in the field of science, engineering and technology during the Second Five Year Plan and in the future plans would be more arduous because of the rapid pace of development of modern science and technology and their industrial application.

(iii) Government should concentrate and direct their efforts on securing the best value for whatever meagre resources that are available for the real advancement of Science and Technology and for meeting immediate problems like the consolidation and strengthening of existing Institutions, provision of modern equipment, employment of well qualified staff and creation of more research facilities.

2. The future requirements should be carefully assessed and visualised before toning down the recommendations of the Engineering Personnel Committee in regard to the establishment of new institutions.

3. The number of engineers and other scientific and technical personnel in various categories turned out by various universities and institutions should be linked up with the Five Year Plans, as is the case in the U.S.S.R., China and other countries which have accepted State Planning as a policy of Government.

4. The analysis of the figures of percentages of distribution of pupils at the University stage indicates that there is hardly any change in the distribution pattern during the years 1951 to 1955. The percentage of pupils in engineering and technological education has been constant during the three financial years 1952-55, viz. 2.8%. The new institutions opened every year had just absorbed the increase in the number of students every year. The Education Ministry, in consultation with the Planning Commission should determine an ideal distribution pattern of studies, in the light of the national requirements. The increase in the number of engineering and technological institutions should be planned to meet the yearly requirements of pupils on the basis of this ideal distribution pattern.

5. (i) The newly set up Directorate of Manpower should keep the position of technical personnel constantly under watch with a view to ensuring that no shortage of trained personnel is experienced during the

Third and subsequent Plans, unlike the present situation during the Second Plan. The growing need for higher research in various branches of engineering and technology and provision of adequate and suitable personnel for this purpose should also not be neglected at any stage.

(ii) There is not any special justification for the continuation of the Directorate of Manpower under the Ministry of Home Affairs. The Directorate of Manpower is more concerned with the Ministry of Education and Scientific Research than with the Ministry of Home Affairs and the feasibility of its transfer to the Ministry of Education and Scientific Research may be examined.

6. (i) New institutions should be opened in such places as will ensure a reasonably even distribution of educational facilities throughout the country.

(ii) New institutions and courses should be established only when there is a real and urgent need for them.

(iii) The proper conditions for recognition, standards of equipment and qualifications of teachers may be strictly enforced in private engineering colleges and polytechnics which have either been established or are proposed to be established.

(iv) A uniform procedure of holding competitive entrance examinations with aptitude tests should be introduced for all technical and engineering institutions run by Government and Universities.

7. In view of the general shortage of technical personnel, the feasibility of increasing the age limit of retirement of such personnel should also be examined.

8. (i) In order to remove any feeling of discontent amongst the teaching staff and also to ensure that the best talent is attracted to the teaching profession, the question of salary scales in educational institutions, at present under consideration of the All India Council for Technical Education, may be finalised early and suitable steps taken to gradually improve the pay scales of teaching staff in engineering and technical institutions.

(ii) The Committee was told that decisions and steps taken by the Central Government in the matters of upgrading of pay scales in technical institutions were not generally followed up by State Governments. This amounted to their virtual nullification. The Central Government should either take the State Governments into confidence at the time of taking any major decision which would affect them or be prepared to assist them financially to the extent warranted by the reform in view of the States' meagre financial resources.

(iii) The feasibility of extending the retirement age of teachers, especially in engineering and technological institutions, may be examined to relieve their shortage.

(iv) Efforts may be made to secure the services of part-time teachers from the industry to relieve to some extent the existing shortage of qualified teachers. In view of the rapid development of scientific techniques that is constantly taking place, part-time training courses should have a definite

place in the development scheme of technical education in India. Government should examine the feasibility of utilising the facilities available in the degree colleges to run part-time training courses in technical subjects.

(v) Steps may be taken for extensive utilisation of sandwich courses in all branches of engineering and technological education so as to enable industrial workers to attain higher standards of proficiency.

(vi) The requirements of technical teachers in the Third Plan may be assessed right now and proper facilities developed so as to ensure regular supply of teachers for meeting the development requirements of the engineering and technical institutions from the very first year of the Third Plan.

9. (i) It is imperative to provide modern equipment to institutions conducting higher research; and the Ministry should assist such institutions to get the necessary amount of foreign exchange.

(ii) Efforts should be made to make buildings of engineering and technological institutions as economical as possible. The stress should be more on utility than on grandeur. The matter should be referred to the Buildings Team of the Committee on Plan Projects for advice about the possibility of having these buildings at a lesser cost.

## II. All India Council for Technical Education

1. The All India Council for Technical Education has been functioning in purely advisory capacity for nearly twelve years and a stage has now come to review the entire position, with the object of ascertaining whether the progress of technical education cannot be accelerated by giving a statutory recognition to the Council and endowing it with greater administrative and executive functions.

2. (i) The feasibility of restricting the scope of the All India Council for Technical Education to the development of the subjects of Engineering, Technology and Architecture and Regional Planning may be examined. As regards the degree courses in Commerce, and in Management Studies, their development may be left to Universities and private enterprises.

(ii) The Council should not assume functions and responsibilities which are parallel to Universities; it should restrict its scope of activities to the functions laid down in the Resolution of its establishment.

3. (i) The feasibility of transforming the Boards of Technical Studies into specific industry-wise Boards may be examined so that the needs, problems and requirements of each industry are high-lighted.

(ii) Government may also examine the feasibility of abolishing the Regional Committees and devolving their functions upon the respective State Boards of Technical Education.

## III. Administrative Staff College

The monthly fees, of Rs. 800 per student, and *per capita* expenditure of Rs. 1,100 per month, charged in the Administrative Staff College, Hyderabad, are on a high side. Efforts should be made to bring down the cost of training in the College to a reasonable amount and the question of withdrawing the participation by Government after a period of three years

should be examined in the context of other pressing needs of technical education in the country. In the meantime there does not seem to be any justification for making additional commitments in regard to the development schemes of the College; these should be left entirely in the hands of the private enterprise in the country.

#### IV. Practical Stipends Scheme

1. Practical training was provided only to 6% and 3% of the total number of graduates and diploma-holders respectively passing out of the engineering technical colleges, during the years 1950 to 1956. There is no progress from year to year. Government should review the entire position in regard to the working of the Scheme with a view to securing additional number of seats for graduates and diploma-holders. It should be the ultimate endeavour of Government to provide practical training to every student either before or after his passing out from engineering and technical institutions.

2. Out of the total amount of Rs. 23.64 lakhs spent on the Practical Stipends Scheme, the contribution made by the training establishments was only Rs. 4.67 lakhs, i.e. only 19 per cent of the total expenditure on the Scheme. Vigorous steps for enlisting more substantial support of the industry are called for.

3. The feasibility of more active participation by public undertakings in the practical stipends scheme should be examined in view of the gradual increase in the number of public undertakings.

#### (B) 15th Report

1. There should be some agency in the Government of India to take an overall and comprehensive view of the various aspects and stages of technical training imparted by the different Ministries, making it possible for trainees to derive the maximum benefits of the schemes without much additional cost. *Prima facie* there is scope for rationalisation, standardisation and integration of existing training facilities.

2. The feasibility of transferring the training programme of the Labour Ministry to the new Ministry of Education and Scientific Research, under the All India Council for Technical Education, to secure better overall co-ordination, should be examined.

**ESTIMATES COMMITTEE, 1957-58. 20th Report (Budgetary Reform).** *New Delhi, Lok Sabha Secretariat, iii, 49p.*

The main observations and recommendations of the Committee are as follows :

#### I. Improving the Present Form and Content

##### (a) General

- (1) Great changes have taken place in foreign countries in the concept of Government budgets and financial administration. In under-developed countries, the budget has become an

instrument of economic development and a powerful tool for carrying out social objectives; and a weapon for stabilisation of economy in countries with high degree of industrial maturity. The size of the budget of the Government of India has been steadily increasing and is of the order of Rs. 8,300 crores for 1958-59, if all transactions pertaining to Revenue, Loans and Capital and Debt Heads are included.

- (2) It is necessary that the Government should continuously review the budgetary procedures and practices so that while, on the one hand, they do not lag behind the advances made in other countries, on the other, they take into account the special features, economic and otherwise, obtaining in this country.
- (3) It would be desirable for a proper understanding of the budget if the new items of expenditure are shown separately from the standing charges and in a separate section within a Demand for Grant both in Part III where details are given and in Part II where the abstract is given, instead of their being shown in the Explanatory Memorandum or by thick letters in Demands for Grants.
- (4) For proper budgeting and for a proper appreciation of the justification for expenditure provided for in the budget, it is necessary that lump sum entries should not ordinarily find a place in the Budget, and, if for some reasons, this is inevitable, at least the broad sub-divisions of the proposed entries together with full justification therefor should be given in the budget documents.
- (5) The practice in U.K., under which the entire cost of a service is shown by means of a foot-note, in addition to the items of expenditure for which a particular Ministry or Department is directly accountable, may with advantage be adopted in India.
- (6) It would be desirable to have at one place a list of all contributions paid by the Government of India to international bodies together with brief details as to their nature, purpose, etc.

(b) *Plan Expenditure*

- (1) It would be a distinct advantage if the Plan itself could indicate (against the various projects which might be serially numbered, e.g. in order of priority, etc.) the requirements of funds for each of the 5 years of the Plan. It would also be desirable to indicate these in the budget documents, together with the allocation, actual expenditure, trends etc.
- (2) It is to be hoped that it would be possible to show at least from 1959-60, plan expenditure and estimates separately from

non-plan expenditure and estimates within the Demands for Grants and other documents accompanying the Budget, in the budget documents.

- (3) It would be desirable to present a separate statement, at the time of the Budget, giving a review of the Plan expenditure and estimates both for developmental and non-developmental purposes, and classified under Revenue and Capital.

(c) *Public Enterprises*

- (1) (i) The Union Government would be spending over Rs. 500 crores during the Second Plan period on industrial enterprises in the public sector and the future investment in such enterprises is expected to be quite heavy. The impact of these enterprises on the national economy would be significant. It would, therefore, be necessary for Parliament to take into account the activities of all the State enterprises while approving the budget. (ii) Industrial undertakings should prepare a performance and programme statement for the budget year together with the previous year's statement and it should be made available to Parliament at the time of the annual budget. (iii) These bodies might also be encouraged to prepare business-type budgets which would be of use to Parliament at the budget discussion. (iv) Their latest accounts and balance-sheets as well as the annual reports should also be made available to Parliament at the same time.
- (2) The separate budget volume for each Ministry and Department, incorporating the budget and portions from Explanatory Memoranda and Annual Reports, (referred to in III-B below) should also include a separate chapter containing the above information and documents in respect of all industrial undertakings which are related to the Ministry concerned.
- (3) It would be desirable to bring out a consolidated volume containing the documents mentioned above for all the statutory bodies and private limited companies of Government, containing also an appreciation of their working and net results.
- (4) To facilitate the understanding of all the activities of the public enterprises it would be desirable that they should have a common financial year, namely, the same as that of the Government.

(d) *Loans and Grants to States*

A separate statement, giving an up-to-date list of loans and grants made and those proposed to be made to States, explaining their purpose, their utilisation in the past and the benefits that have accrued or would accrue from the expenditure by the States of such loans and grants, the broad details of schemes for which they have been made, etc., should be brought out along with the budget.



(e) *Defence Estimates*

It is felt that the form of the Defence Service Estimates requires to be completely reviewed so as to show separately expenditure relating to various units, institutions, inter-Service Organisations, etc., and that they should contain more information than at present, consistent with the requirements of the security of the country. Such a review would have to be undertaken by the Ministries of Finance and Defence in consultation with the Chiefs of Staff.

### III. The Basic Budgetary Reforms

(a) *Performance-cum-Programme Budgeting*

- (1) At present the budget documents invariably do not contain data on physical targets and accomplishments of various budget allocations and under various schemes, at any rate, to the extent necessary for assessing expenditure in terms of services planned for and actually rendered. The Explanatory Memoranda no doubt give broad details of expenditure schemes but even they do not enable a proper appreciation of the expenditure to be made. Further, the annual reports of the Ministries, which contain considerable information relating to the working of the Ministry and the schemes undertaken by them, do not also attempt any exposition of the expenditure in terms of the physical targets or accomplishments. It is desirable that programmes should be clearly correlated with the budget or revised estimates and performance with expenditure in the budget documents and particularly in the Annual Reports of the Ministries.
- (2) The performance-cum-programme system of budgeting would be ideal for a proper appreciation of the schemes and outlays included in the Budget, especially in the case of large-scale developmental activities. The performance budgeting should be the goal which should be reached gradually and by progressive stages without any serious budgeting dislocation. It is to be hoped that the experiment towards performance budgeting on a selective basis in order to supplement the traditional budget would be expedited and that the 1959-60 Budget would contain concrete results of it at least in the case of selected Ministries or projects.

(b) *Re-arrangement of Budgetary Documents*

To give effect to the various suggestions made earlier it would be necessary to rearrange the budget documents suitably so that while on the one hand they focus attention on essentials such as programmes, activities and performance, at the same time they do not render administrative or appropriation control difficult. As a first step in this direction, the budget documents relating to a particular Ministry such as Demands for Grants, Explanatory Memoranda and the Annual Reports may be brought out in a single volume. This volume in respect of each Ministry may

be divided into suitable parts to facilitate a proper understanding and appreciation of the budget. The first part may divide the activities of the Ministry into broad objects and programmes of expenditure and might eventually correspond to the performance-cum-programme type of budgeting for each Ministry. The second part might give the items on which the expenditure in the budget is proposed. These need not be given in such detail as at present. For facility of administrative control and accounting the details which would be necessary might be included as an Appendix to the volume. This re-arrangement in the existing budget documents may be given effect to as early as possible.

(c) *Functional and Economic Classification of the Budget*

- (1) The budget is broadly divided into capital and revenue transactions. The classification followed for the purpose is stated to compare favourably with most advanced countries. A separate Book of Demands for Grants on capital accounts is brought out as one of the Budget Documents. In the re-arranged set-up of the Budget Documents a consolidated statement of capital transactions would still be necessary. But it would be advantageous if it could be split up into various types of capital expenditure, such as increase of assets, reduction of liabilities, investments, capital formation, etc., as also their net effect on the economy.
- (2) It is necessary that there should be some sort of a functional classification of Governmental expenditure so as to focus attention on the various functions of the Government and their relative importance. It would be necessary to broadly group the various activities of all the Ministries in such a way as would enable an understanding of the diverse activities of government on which expenditure is incurred by various organisations and Ministries.
- (3) For an economic classification to be really useful it would have to take into account the expenditure and proposed outlay on various functional activities in the entire country, *i.e.*, Central and State budgets, the autonomous and other Government undertakings and the private sector also. It is necessary therefore that a beginning should be made in analysing the State budgets and of the autonomous and other undertakings and that effective steps should be taken for the purpose.

(d) *The Financial Year*

- (1) The present financial year commences on the 1st of April and ends on 31st March. The suitability of the financial year to Indian conditions has necessarily to be determined by such considerations as administrative convenience, better predictability of revenues and efficient execution of budget. The present arrangement, due to the break of the monsoon in a month or two after the passing of the Budget, tends to result in a rush of expenditure towards the end of the financial

year; it also results "in waste of national manpower in that it ties down the nation's representatives nearly 750 in number at the Centre alone—first for a three months' session for the discussion and voting of the budget and then for another three months because of the onset of the monsoon, thus preventing them from touring their constituencies and meeting the public."

- (2) These and other difficulties can be overcome by changing the financial year to commence on the 1st of October. The monsoon months from June to August may in that case be utilised for the penultimate and final stages of the preparation of the budget. As the works season will almost be over by the time the preparation of the budget starts, the framing of the revised estimates can be done with a better degree of accuracy. The budget may be presented to Parliament in the latter half of August and voted by the end of September. Legislation, other than the finance, taxation and appropriation bills, unless it is of great urgency, should not be taken up in this session.

(e) *Pre-Budget Scrutiny and Post-Budget Sanction*

- (1) The nature of scrutiny that is exercised by the Ministry of Finance before the schemes are included in the budget varies with the type of scheme. It would appear especially in the case of new schemes which involve heavy expenditure that the pre-budget scrutiny is not always very thorough. It is necessary that the administrative ministries should submit their respective schemes to the Ministry of Finance for inclusion in the budget only when all relevant details necessary for having a sufficiently clear picture of a particular scheme have been worked out. For this purpose the prospective schemes should be processed throughout the year so that the rush at the time of the preparation of the budget is avoided. It is understood that in U.K. the pre-budget scrutiny is fairly detailed and schemes which are not approved are not included in the Budget. This practice of thorough pre-budget scrutiny could be adopted with advantage in this country and to that extent the post-budget scrutiny could be eliminated or at least reduced so as to prevent delay in execution of work.
- (2) Even though the budget might include provision for loans and grants to States as well as for various development projects, the financial sanctions thereof which are necessary for incurring expenditure are not issued until the schemes have been thoroughly scrutinised and found acceptable. While the issue of sanctions after the voting of the budget is understandable in the case of new projects, for reasons explained (earlier in the previous para), it creates unnecessary delays and difficulties in the case of continuing projects. It is necessary that a procedure should be evolved whereby the necessity of further sanction after the budget should be done away with and also whereby an assurance would be given to the various

authorities including the State Governments that in respect of funds provided for approved subjects, the unspent amount would be available in the next financial year.

### III. Budget Discussion

- (1) It might be a distinct advantage both to Government and to Parliament if the Standing Finance Committee is revived. It might have the authority to scrutinise such new items of expenditure above a certain limit as the Government might place before it prior to their inclusion in the budget. The Committee may, however, be purely advisory and Government need not be bound to accept all its suggestions or its criticism. Even then it would provide an opportunity to Members of Parliament to study the proposals in their proper perspective and thus enable them to offer well-informed criticism on individual schemes in a manner which would not be otherwise possible in Parliament. Besides, it would also facilitate public participation in the drawing up of schemes for inclusion in the budget.
- (2) Even with the revival of the Standing Finance Committee, it would still be necessary to devise means to ensure that the budget discussion is effectively utilised by Parliament to express the popular will and to ensure in other ways that the country gets the best and most efficient use of its resources and of the expenditure being voted. One method by which the budget discussion could be made more well-informed would be for the Minister concerned himself to initiate discussion on demands concerning his Ministry, explain all relevant facts which are likely to be raised in discussion, and again reply to the discussion before the demands were voted. An innovation was made when the Second Five Year Plan was discussed by a number of Committees of the House, which discussed the various parts of the Plan and later presented their proceedings to Parliament. The procedure could perhaps be adopted with advantage for discussion of the Budget also, since it would enable various Members of Parliament to concentrate on certain Ministries, come into contact with the Ministers and officials and get all their doubts and grievances examined or resolved.

### IV. Survey of National Economy

- (1) It is necessary that economic situation in the country should be analysed, related to objectives and proposals, and explained by Government experts in a manner which would enable the correct position to be understood and appreciated by all. The analysis should also explain the position in regard to foreign exchange, balance of payments, trade and commerce, production, national product and income, cost of living, imbalances in economy, world trends, etc. Such an analysis should be made available to Parliament sufficiently early to be utilised during discussions.

- (2) Definite steps should be taken by Government to improve the sources and methods for collection of statistical data which should form the basis of an assessment of the economic situation.
- (3) It is necessary that some uniform patterns should be adopted so that the statistical information by different agencies for different purposes does not contain discrepancies.
- (4) It is to be hoped that steps would be taken by the Economic Division of the Ministry of Finance to ensure the setting up or rationalisation of the existing machinery for the collection of reliable data for its interpretation, as also for proper co-ordination at all levels with various other bodies in the country in order to facilitate quick and efficient analysis of the economic situation. It would be desirable for Government to examine the machinery at the disposal of and the working of the Economists' Council in U.S.A. with a view to adapting them in India.

#### V. Miscellaneous

- (1) It is desirable that the Government should report to Parliament every time they go in for borrowing. Further, the details of individual borrowing might also be brought to the notice of Parliament both before going to the market and after.
- (2) It would be desirable if (i) amendments directly connected with changes in the tax rates, and (ii) major amendments which, though not directly and immediately connected with the tax proposals, have to be made in the sections of the Act which are so connected, only are included in the Finance Bill, leaving amendments of other description to be dealt with separately.

**ESTIMATES COMMITTEE, 1957-58. 21st Report (Planning Commission). New Delhi, Lok Sabha Secretariat, 88p.**

The main findings and recommendations of the Committee are :

#### I. Functions

1. Planning involves allocation of scarce resources, and consequently fixation of priorities; in a federal constitution, it presents special difficulties. Also, when it happens that the financial resources of the States are inelastic and they have to depend upon the Centre for financing a very large portion of their development programmes, very great importance is attached to the approval of the Planning body, as a pre-requisite to the release of funds by the Centre. In consequence, it is understandable that a feeling could grow that the Planning Commission was not just an advisory body but that it was an additional authority to be reckoned with which though not part of the ordinary machinery of the Government of India, decided every programme of work and whose decisions were to be carried out by all. The entire procedure now adopted should be reviewed, so that if any practice has grown, which lends support to this feeling, it could be rectified.

2. The utility to the State Governments and the Central Ministries of the role at present played by the Planning Commission in the annual and periodical allotment of finances, should be reviewed in the light of experience gained in the last two years. It should also be considered to what extent this function should be performed by the Planning Commission

and whether it should not be left to the Government themselves, rather than the Planning Commission, to concentrate on the evaluation of the current Plan and formulation of the future Plan. In this connection, the Committee feels that in normal circumstances this function should be performed by the Governments themselves, though in the present circumstances, considering the various difficulties, such as those relating to foreign exchange, etc., it might not be possible to exclude the association of the Planning Commission in the formulation of annual plans.

3. The procedure for approval of schemes for Central assistance should be so revised that the State Governments approach the Central Ministries concerned directly. The Ministries should take decisions on all such matters in consultation with the Planning Commission and the State Governments concerned. In case there is any difference of opinion between the Planning Commission and a Central Ministry the difference should be resolved by the Cabinet, and in case there is any difference between the Planning Commission and a State Government, it should be resolved by the National Development Council.

4. (i) All work in the Planning Commission should be organised primarily for the purpose of formulating a plan and advising on its implementation. The machinery of the Commission should not be made cumbersome by undertaking work which could be got done through other agencies. (ii) 'Central direction and co-ordination of public co-operation activities of the various agencies' and the sanction of grants-in-aid to those agencies are executive functions and the Planning Commission should be divested of this responsibility, which should be transferred to an appropriate Ministry of the Government of India.

## II. Constitution

1. Even though the Planning Commission originally started as a body of full-time members working under the chairmanship of the Prime Minister, by a gradual process it has become a mixed body with the Cabinet Ministers forming nearly 50 per cent of its strength.

2. While the Prime Minister's formal association was absolutely necessary during the formative stages and while he would still have to provide the guidance and assistance to the Planning Commission so as to facilitate the success of planning, it is a matter for consideration whether it is still necessary for him to retain a formal connection with the Planning Commission. Similarly, it would also have to be considered whether it is necessary to continue the formal association of the Finance Minister and other Ministers of the Central Government with the Commission. The association of Ministers is justified mainly on the ground that it facilitates close consultation and co-ordination with the Ministries. This can, however, be effected by the Minister being invited to attend the meetings of the Commission when a subject with which he is concerned, is discussed. The co-ordination with the Cabinet can also be maintained by a representative of the Commission attending the meeting of the Cabinet when a matter of interest to the Commission is considered.

3. There is an anomaly in regard to the Planning Minister in that he has no secretariat. Further, he is not the Head of the Commission nor even the Deputy Chairman. If a member of the Commission who is not the

Head of the Commission, or even its Deputy Chairman could be its spokesman, it might be possible for this function to be performed by any Minister designated by the Prime Minister without being formally associated with the Commission or by any Member of Parliament who might be associated with the Commission.

4. The present anomalous position of the *de facto* member in the Planning Commission should be rectified. If the Planning Commission desires to get advice and assistance from a person, who is not able to become a whole-time member it could be so arranged that he is available for advice, if and when necessary, without making him a *de facto* member of the Commission.

5. The present arrangement of having the Cabinet Secretary to function also as Secretary of the Planning Commission is neither necessary for high-level contacts nor conducive to efficiency. It appears to leave very little time for the Cabinet Secretary to give adequate attention to the Planning Commission. Considering that the activities of the Commission should be planned and organised efficiently with the utmost co-ordination not only among its own divisions, but also with activities of a similar nature being carried on elsewhere, there should be a whole-time Secretary for the Planning Commission.

### III. Office Organisation and Personnel

1. It is neither in the interest of efficiency of the work of the Planning Commission, nor fair to the officers themselves that they should be required to play a dual role by working part-time both in the Ministry and in the Planning Commission. Officers who are engaged in Planning should be free from the burden of day-to-day administration. Even though planning has to be done in close co-ordination with practical administration, it requires a freshness of outlook and independence of judgment which are difficult to secure if officers have to serve simultaneously both the Planning Commission and the administrative Ministries. Therefore, except when it is unavoidable, there should be full-time officers in the Planning Commission.

2. The strength of the various Divisions, Branches and Sections had been determined on an *ad hoc* basis in the light of experience gained and not according to any standards laid down. Even though the same yardstick that applies to the Secretariat staff may not apply to the Research personnel in the various Divisions and Sections of the Planning Commission, it should be possible to lay down standards of work to assess the number of persons required to deal with the work in hand. These standards may vary according to the type of the job to be done.

3. The post of Adviser (Transport) may be abolished and the Commission should, whenever transport problems are considered, draw upon the services of specialists from the Transport Ministry and the Railway Ministry as well as of persons who have special knowledge of transport problems in the country.

4. Even though the Public Management Studies Section has been engaging itself in some activities, it has not been very useful for the discharge of the main functions of the Planning Commission. Studies required on the subject of public management, could be got done through other agencies

like the Indian Institute of Public Administration and I.M.R.U. and it is not necessary to keep a section in the Planning Commission to do this kind of work. The studies of this unit should be so organised that it will facilitate the formulation of plans in regard to the building up of trained manpower—technical, managerial and administrative, for the purpose of implementing the Five Year Plans. They should be concerned broadly with questions of how to make management and administration more efficient, more economical and less dilatory.

5. It is not necessary for the Planning Commission to examine as a matter of routine all pieces of legislation or proposals received from States, relating to Land Reforms; these matters should be dealt with by the appropriate Ministries of the Government. The Land Reforms Division should focus its attention on the difficulties experienced by the States in effecting land reform and offer suggestions for overcoming them. It should also make a full assessment of the consequences of land reform in the social and the economic fields and on agricultural production, employment etc., in order to help future planning. Among the staff working in the Division there is no person who has personal experience of land tenure and its problems in the States. Persons, who have field experience as well as academic attainments and have attained the necessary stature, should be appointed to the Division.

6. The present arrangement of having a few persons from the Indian Statistical Institute to work in the Perspective Planning and Scientific and Technical Manpower Division is not satisfactory. While the services of non-Government bodies should be utilised to the extent possible for this and other specific purposes, their functions, duties and tasks should be clearly defined and allotted.

7. It is not necessary to duplicate arrangements in the Central Statistical Organisation and the Planning Commission for collection and collation of data. It should be possible for the Planning Commission to get all the statistical data it requires from the C.S.O. The Planning Commission should concentrate on the important work of studying, analysing and deducing inferences from the data and formulating advice on the basis of those inferences, rather than fritter away its energy on work, which can as well be entrusted to other statistical organisations.

8. The O & M Section of the Commission does not appear to have made any useful contribution during the last two years; it ought to function actively. In the absence of an adequate examination of the organisation and methods of the various Divisions, Branches and Sections, it will not be possible to know whether work has been organised in the most efficient and economical way.

#### **IV. Evaluation**

1. The existing allocation of States among the Advisers (Programme Administration) is not conducive to efficient functioning; each Adviser should have a compact area preferably comprising of all the States in an administrative zone. The Adviser in charge of the States in a zone should be available for consultation and for advising the Zonal Councils on problems involving the development of the zone. The headquarters of the Advisers should be located in the zone which will be under their charge. This would



also help them to maintain a closer touch with the Plan activities in their zone.

2. There should be a more systematic collection of all the useful observations and suggestions made by the Advisers which should be tabulated, analysed and given a shape and should be circulated to all the States. Also, more of such observations and greater details should be included in the progress reports issued by the Planning Commission.

3. Even though the Committee on Plan Projects has been doing very valuable work through the appointment of various Teams, by its very nature this method would be successful only for specialised studies to be made at some intervals. It will not be possible through this method to assess the progress of all the projects continuously; it would be necessary to supplement the present agencies with a machinery like the Programme Evaluation Organisation.

4. There is considerable scope for improving the machinery of the local authorities and Panchayats so as to secure greater progress in rural development. The Committee would, therefore, suggest that a comprehensive evaluation of the extent of assistance which these bodies render at present and could render in this matter should be made and steps taken to ensure their greater participation and co-operation in the field of rural development.

5. The evaluation machinery in respect of the various Plan Projects should be of two types : (1) for continuous evaluation of projects by the Central Government in respect of projects under it as well as in a State in respect of works in that State; and (2) an external evaluation machinery under the Planning Commission which should continuously and independently evaluate the progress made in regard to various projects under the Central Government and the State Governments.

6. The Planning Commission may usefully advise on certain problems of co-ordination and rationalisation of functions among the ministries and departments, *e.g.*, land reclamation, and inland water transport, for which the administrative responsibility has not been properly allocated. The subject of irrigation is being dealt with by three ministries of the Government of India. The Planning Commission and the Advisers should take into consideration all such questions, whenever they notice them, and after consultation with the authorities concerned, suggest a rational distribution of functions, with a view to ensuring speedy and efficient execution of the schemes.

## **V. Planning**

1. Adequate arrangements have not been made for commencing the preparation of the Third Five Year Plan. The methods of framing the Third Plan should receive urgent attention.

2. The desirability of setting up a body corresponding to the Planning Commission in each State should be examined in consultation with the State Governments. It might consist of experienced administrators and non-officials with an intimate knowledge of the problems of the State. It could concern itself with all aspects of planning in the State and also

function in co-ordination with the statistical and evaluation organisation at the State level.

3. The District Councils recommended by the C.O.P.P. Team on C.D. and N.E.S. should be given responsibility for the implementation of the Plan. Further, the Councils should constitute a number of Sub-Committees, each of them being in charge of a subject like agriculture, education, irrigation, roads, village industries, co-operation, etc. The Sub-Committee should have a non-official member of the Council as the Chairman and an official concerned with the subject as Secretary. Each Sub-Committee should look after the particular subject in the entire district.

4. (i) All Planning for the future should proceed from the village level upwards through the machinery of the Sub-Committee of the District Council suggested above. The broad distribution of the budget provision under the Plan should be prescribed by the Centre within which the State should evolve its own schematic budget, in consultation with the Central Ministries. Within this framework, the district and block level local representative organisations should work out priorities and phasing, subject to certain guiding principles and restrictions. Finally, within the block, the panchayat samiti recommended by the C.O.P.P. Team on C.D. and N.E.S. should break the integrated plan into smaller units *e.g.* Gram Sewak Circles, villages and families. (ii) It should be ensured that the modified outline of the Plan is passed on to the district level, so that at that level, necessary modifications can be made to fix the final village plan. If done this way, it would really emerge as the people's plan and would evoke spontaneous and enthusiastic co-operation from the people, and consequently much of the difficulty in the implementation of the plan would be automatically removed. This process of building up of a plan from the village level will necessarily take some time. Since the formulation of the Third Five Year Plan has to be taken in hand now, the Committee would recommend that the machinery suggested by them should be organised without loss of time and set in motion early.

5. (i) It is unfortunate that a start on the work of perspective planning was not made much earlier. Unless the long range objectives are well settled, short-term planning cannot be meaningful. The planners would have to think of at least a 25-year period and fix practicable limits to the growth of the economy during the period. (ii) The planning cells working in each Ministry should work out a long term plan while they are preparing one for the immediate future. Such questions as the location of industries, their development, facilities for transport, agricultural production, afforestation, harnessing of atomic energy for peaceful purposes, long range export promotion, mineral exploitation, etc., should be considered and a plan laid out for each. In particular, the problem of the haphazard growth of cities and the growing urbanisation in the country are matters which should be given sufficient consideration. (iii) The associated problem relating to slum clearance as well as town planning also needs attention. Further, the need to disperse industries over wide areas so as to prevent their springing up in an unwieldy and haphazard manner as also the connected labour problems has to be given due consideration. All such plans should be co-ordinated by a group of experts who would study the limits of our resources, the relations between the different targets and prepare a composite

perspective plan. (iv) Perspective planning should proceed concurrently with the five year plans. Also it should be a continuous process, so that as the economy develops and additional factors come to light, necessary re-adjustments can be made. The flow of statistical data, their analysis and researches should be directed not only to frame the five year plans, but to work out the perspective plan as well. (v) Steps should be taken to train a sufficient number of economists, statisticians, engineers and other technical personnel who will not only be experts but also have general ability and the capacity to look at problems with insight and imagination.

6. Without an adequate body of reliable data, Planning would be unrealistic. The Planning Commission, in consultation with the Central Statistical Organisation, should appoint a team of experts to enquire into the nature of statistical data compiled by all these diverse organisations, the duplication of effort involved, rationalisation of their functions and of the basis of collection of data, maximum utilisation of the data collected, allocation of functions among the different organisations under the Central and State Governments and other bodies, so that taking the country as a whole, there will be a network of organisations producing, without waste of effort or overlapping of functions, the data necessary for the purpose of planning and administration. This team should also look into gaps that now exist in the statistical data. They should also suggest measures for getting reliable data about the private sector and what is at present the unorganised portion of the private sector. The efforts of the team should be directed to produce a workable plan by which in the very near future a co-ordinated machinery will function throughout the country making the flow of all the necessary data available to the interested organisations.

**PLANNING COMMISSION, AGRICULTURAL PERSONNEL COMMITTEE.** *Report. March 1958. 166p+29 Tables.*

The Agricultural Personnel Committee was set up by the Planning Commission on March 18, 1957, with *Shri P.N. Thapar*, I.C.S., Secretary, Departments of Food and Agriculture, as Chairman and *Shri J.V.A. Nehemiah*, Secretary, Indian Council of Agricultural Research, as the Committee's Secretary. It had also 10 other government members. The terms of reference of the Committee were (1) to examine the present position in regard to the supply of trained technical, scientific and administrative personnel, with special reference to existing or expected shortages; (2) to make a fresh assessment of requirements for trained personnel during the Second and Third Plans; (2) to review the present programmes for the expansion of training facilities and to recommend measures for augmenting them.

The main observations, conclusions and principal recommendations of the Committee are given below :—

**I. The Scope of Enquiry and Approach**

1. The Committee's survey covers all categories of trained personnel required for the programmes of development, extension, research and education in the entire agricultural sector, including crop husbandry and horticulture, animal husbandry, veterinary science, dairying, fishing, forestry, soil conservation, agricultural engineering, plant protection, co-operation, agricultural marketing, agricultural statistics and agricultural economics.

2. The assessment of requirements, however, takes into consideration the demand for trained personnel for the execution only of what may be called the governmental and semi-governmental programmes in the agricultural sector. Except in a few subjects like marketing, agricultural engineering, and agricultural economics, the requirements of the private sector have not been included.

3. The gigantic agricultural labour force, enterprising farmers and rural leaders would also require some sort of training for bringing about an abiding improvement in agriculture. Considering the size of the problem, we have, under present conditions, to depend largely on the extension organisation to perform this task. The training programme recommended does not cover this requirement, the question of expansion of training facilities at appropriate levels for the purpose will have to be considered at a later stage.

4. Although the recommendations cover *ad hoc*, in-service and refresher training, attention has mainly been concentrated on the question of development of facilities for regular institutional training which takes not less than 3 to 4 years and has, therefore to be planned well in advance if future development is not to be hampered or held up for want of trained personnel. The economic development of the country and the raising of the standard of living of the common man will continue to depend to a very large extent on success in developing agricultural production. The Second Plan has a target of stepping up production of food grains at the average rate of roughly 4½ per cent per year and of all agricultural commodities by about 5½ per cent per year.

5. The development of horticulture, animal husbandry, dairying and fisheries initiated under the Second Plan needs to be expanded still further in the Third Plan period to provide a more balanced diet to the people. Increasing attention has to be given to proper land management; agricultural credit will have to be provided on a much larger scale than is envisaged in the Second Plan. The organization of agricultural marketing and grading will need strengthening; and the study of agricultural economics and farm management, which has so far been neglected in this country, will need special attention.

6. The trained personnel provided at present in agriculture, animal husbandry and allied fields is inadequate both in quality and number, and will need to be considerably strengthened at different levels if substantial results are to be achieved. The study of the development of agriculture in other countries shows that the need for highly trained personnel increases with the increase in the intensity of agriculture and the introduction of scientific methods of cultivation.

7. In recommending the expansion of training facilities the important considerations which have been constantly kept in view are : (1) the need for ensuring manpower preparedness in the Third Plan period, and (2) practical difficulties in the way of rapid expansion of training facilities, such as shortages of equipment and teachers. The disadvantages of too rapid an expansion of permanent training facilities have also been taken into consideration. The timely implementation of the recommendations made will, more or less, ensure manpower preparedness in the agricultural sector during the Third Plan period, and failure to do so may create difficulties.

## II. Agriculture

1. In assessing the requirements of trained agricultural personnel for the Third Plan, it has been assumed that the rate of growth in agricultural production planned for the Second Plan has not merely to be maintained but somewhat stepped up; and the Committee has assumed a target of increase in agricultural production at the rate of about 5 per cent per year during the Third Plan period.

2. (i) In June 1957, there were 30,000 posts in the agricultural sector for which a degree in agriculture or some other branch of science or arts had been laid down as an essential qualification. Of these, there were 10,600 posts for which a degree in agriculture was considered to be an essential qualification, and 4,700 posts for which a degree in agriculture was a preferential qualification. For 4,200, graduates in agriculture were eligible without enjoying any preference. The remaining 10,700 posts required qualifications in subjects other than agriculture. Of the 10,600 posts for which a degree in agriculture was an essential qualification, 9,000 had been filled by June 1957, and 1,600 were vacant; and of 4,700 posts for which a degree in agriculture was a preferential qualification, 4,200 had been filled.

(ii) It is estimated that during the period June 1957—March 1961 (of the Second Plan) there will be need for 8,900 agricultural graduates. This is on the basis that there will be 6,900 posts for which a degree in agriculture is regarded as an essential qualification, and 2,000 posts for which such a degree is a preferential qualification. The output of all the agricultural colleges during 1957-61 is estimated at 6,000. There will thus be a shortage of about 2,800 agricultural graduates by the end of the Second Plan period. To this should be added the requirement of multi-purpose high schools which may be about 500. The deficiency cannot be made good during the Second Plan period. If, however, the N.E.S. programme is staggered so that the entire country is covered by 1963 instead of by 1961, the requirements of agricultural graduates during the Second Plan period would be reduced by 1,900.

(iii) (a) The requirements of agricultural graduates in the entire agricultural sector during the Third Plan period has been estimated at 27,500, resulting in an annual demand for agricultural graduates of 5,500. For an annual out-put of about 5,500 agricultural graduates, it will be necessary to provide facilities for admissions of 6,000 students yearly in the agricultural colleges as against the admissions of 2,600 at present. The present high wastage in the colleges of agriculture should be reduced to not more than 10 per cent; any higher wastage must be regarded as a serious matter.

(b) For meeting the additional training requirements of the Third Plan, the quickest way would perhaps be to expand, wherever possible, the existing institutions to the desired level without lowering the efficiency of training. On the assumption that the admission potential in the existing institutions would be increased to 4,500 annually, and that the new agricultural university proposed to be established at Rudrapur (Uttar Pradesh) will take about 200 students per year, there would still be need for the establishment of about 8 new institutions with a total of 1,300 seats. The new institutions may be set up in states or zones where the gap between the output and prospective demand is the greatest.

3. (a) For strengthening the research set-up, it is of prime importance that the measures initiated under Second Plan for expanding post-graduate research and training should be extended so that at least one agricultural college in each State is developed, during the Third Plan period, for initiating post-graduate research and education. (b) There should be some link between these colleges and the Central Research Institutions, such as the Central Rice Research Institute, Cuttack, so that facilities provided for research at the central institutions are available for post-graduate students. (c) In addition, a large net-work of research stations for dealing with the specific problems of each agro-climatic region and tract having a particular type of soil and climate should be developed. At least 50 such major research stations (including existing units) would need to be developed by the end of the Third Plan period; and each of these stations would need to be supported on an average by two sub-stations. (d) On the assumption that roughly 50 per cent of the research posts in agricultural chemistry, entomology, mycology and botany may be filled by pure science graduates the requirements of agricultural graduates for purposes of agricultural research and development may be placed at 4,500. Of this number, 2,000 should have post-graduate qualifications.

4. (i) Agriculture must occupy the pride of place in the National Extension Service programme. The effectiveness of this programme must depend to a very large extent on the quality and training of the village level worker and his competence to win the confidence of the cultivator. The training of the village level worker should extend over a period of at least 2 years and intensive training in agriculture should continue throughout this period.

(ii) Some degree of personal contact between the extension agent and the farmers is essential for effective Extension work, and such contact cannot be established and maintained by the village level worker with the present large jurisdiction of 10 villages. The village level worker in India is a multipurpose worker with a wide range of duties, and the number of individual farmers to be contacted is very large owing to the small size of holdings in India. There are also other difficulties, such as lack of village communications. An appropriate charge for a village level worker may be 5 villages of 500 to 600 farms.

(iii) The objective should be to raise this village level worker to the level of an agricultural graduate, over a period of time. If this became possible the multipurpose character of the Extension service at the village level would be maintained while ensuring at the same time adequate technical guidance to farmers.

(iv) For providing effective technical guidance to the village level workers the Block level staff should be strengthened by the addition of 4 agricultural graduates with some special training in selected subjects.

(v) There should be 5 agricultural subject-matter specialists at the district level with post-graduate training in their respective fields. For purposes of administrative supervision, the specialist staff should be placed under the district agricultural officer who will have the over-all responsibility for supervision of the extension programme.

(vi) A small 'Extension Wing' consisting of a selected number of subject-matter specialists with training in Extension methods to help to develop an effective farm advisory service will be necessary in each State.

(vii) Additional requirements of agricultural graduates during the Third Plan period for Extension work would be of the order of 11,560.

(viii) If it is agreed that the village level workers should eventually be agricultural graduates, it may be assumed that our requirements of agricultural graduates in the entire agricultural sector in course of time would be of the order of 1,50,000. At the rate of 3 to 5 per cent wastage due to retirement, the annual replacement will be nearly 5,000 agricultural graduates when 1,50,000 graduates are in position. The additional training facilities recommended by the Committee will need to be continued without reduction even beyond the Third Plan period.

(ix) 24,000 village level workers were trained up to November 1957, leaving a balance of about 27,000 to be trained during the rest of the Second Plan period. These could be trained by October-November 1960 if the capacity of the training centres is fully utilised. If the Committee's recommendations regarding the training and jurisdiction of the village level worker are accepted, another 51,200 village level workers, trained over a longer period, would be required. The existing training centres, with suitable modifications, should be adequate to train this number.

### III. Animal Husbandry

1. (i) The overall supply and demand position of veterinary personnel during the Second Plan period appears to be satisfactory; there are, however, likely to be local surpluses and deficits which would need adjustments through co-operation among the States.

(ii) The reasons for the present high waste, namely, 30% in veterinary colleges should be examined and efforts made to reduce it to the minimum.

2. (i) The requirements and the output of veterinary graduates during the Third Plan period have been estimated at 6,800 and 5,800 respectively; the shortage of about 1,000 veterinary graduates will have to be met by making the maximum use of the existing institutions and of the proposed new institution in Mysore and the Agricultural University at Rudrapur (U.P.).

(ii) The four colleges and the Indian Veterinary Research Institute, which are proposed to be developed into centres of post-graduate research and training, should be able to meet the requirement of 1,000 persons with post-graduate qualifications in animal husbandry and veterinary science during the Third Plan period.

### IV. Dairying

1. The present unsatisfactory position in regard to the supply of milk cannot be expected to improve sufficiently unless milk production can be increased at a rate considerably faster than the growth of population.

2. It is estimated that about 600 qualified dairy men and higher staff will be required for implementing the dairy development programme during the Second Plan period. The position regarding basic institutional training for this staff is not unsatisfactory. In-plant training will, however, be

necessary for persons who will be responsible for running the commercial milk supply schemes, *e.g.*, managers, engineers etc.

3. (i) Milk supply schemes may have to be taken up in 120 cities with a population exceeding 50,000, and milk product factories in 9 areas during the Third Plan period.

(ii) To provide specialist advice on problems relating to dairy development, 100 dairy specialists will be needed at the district level and 500 Extension officers, having training in dairying, at the Block level.

(iii) The existing facilities will have to be expanded to provide training for 3,300 technical personnel needed for milk supply schemes, milk factories and as specialists and extension staff.

## V. Fisheries

1. The requirements of administrative and research personnel and personnel for fishing vessels and engineers during the years 1957-61 will be of the order of 630 (170 senior and 460 junior positions).

2. The *ad hoc* arrangements for training of fisheries personnel should be replaced by a regular system of institutional training to prepare candidates for taking higher positions in government and in the industry; and the proposal of the Ministry of Food and Agriculture, to establish a higher training institution to provide 'composite' training in all aspects of fisheries should be implemented early. This institution should be able to turn out 300 qualified administrative personnel against the total requirement of 350 during the Third Plan period.

3. (i) Fisheries developmental staff should be organised on the basis of fisheries districts which may vary in size from state to state, and should receive the assistance of specialists in different fields.

(ii) 620 specialists will be required during the Third Plan period and these could be trained in the existing institutions, except that new facilities will have to be provided for fishery co-operative personnel and the existing facilities for marine engineers and master fishermen will have to be expanded.

(iii) Higher training in special subjects should continue to be given in foreign countries to selected persons. Japan would be most suitable in most of the fields except fish conservation and management for which training in the U.S.A. would be preferable.

## VI. Forestry

1. (i) During the Second Plan period facilities will be required to train 250 Forest Officers and 700 Rangers, and about 80 Forest Officers and 160 Rangers in the Third Plan. The present training facilities are adequate to meet these demands. (ii) The surplus capacity should be utilised to train private candidates.

2. As all training is at present given in India, the various foreign scholarship schemes should be availed of to send a officers each year for advanced and specialised courses in forestry to appropriate foreign countries.



**VIII. Soil Conservation**

1. The minimum target for soil conservation during the next 25 to 30 years should be 200 million acres; for the Second Plan period, 3 million acres, requiring nearly 5,200 technically trained officers, assistants and sub-assistants.

2. (i) The recruitment and training of soil conservation personnel would require to be lifted from the present rather temporary and make-shift arrangements and placed on a sound and permanent footing.

(ii) The immediate training needs could be met by an expansion of facilities at the existing officers' training centre at Dehra Dun from 20 to 50 officers, and at the four centres for Assistants from 80 to 104, a year.

(iii) During the Third Plan period, training facilities should be progressively increased to train additional 340 Officers, 1,700 Assistants and 6,800 Sub-assistants.

(iv) During the Fourth and Fifth Plan periods, facilities at the existing centres should be increased progressively to train personnel for 260 working units (with a complement of one Officer, 5 Assistants and 20 Sub-assistants to manage 5,000 acres).

3. For manning key positions, involving planning, direction and supervision, promising officers should be picked up and given suitable training in India and abroad.

4. The large number of trained personnel required for soil conservation work could be found only if permanent additions are made to the cadres of the departments concerned in order to ensure optimum utilisation of the training centres. In the alternative, a separate soil conservation cadre may be formed.

**VIII. Agricultural Marketing**

1. (i) 430 graduate technical personnel needed during 1957-61 would be available.

(ii) Their additional requirement during the Third Plan period would be of the order of 700 (330 graduates in agriculture with specialisation in agricultural economics and 100 with a post-graduate degree in agricultural economics).

2. Senior marketing personnel may be sent to foreign countries in batches of 4 to 6 each year, for advanced study for a period of 3 to 4 months.

**IX. Co-operation**

1. An attempt should be made in the Third Plan period to employ agricultural graduates in at least 1/3rd of the intermediate and senior posts; the co-operative sector would thereby absorb a minimum of 300 to 400 agricultural graduates with a post-graduate degree in agricultural economics and 2,500 agricultural graduates.

2. An additional college for in-service training of senior personnel may have to be needed and facilities at the existing college at Poona will have to be expanded.

## X. Agricultural Statistics

1. The rate of appointment of statisticians has been regrettably slow; to remedy this situation, a far greater number of posts for qualified statisticians will need to be created and provision made for selecting and training necessary men to fill them.

2. (i) All research institutes, having a reasonable amount of statistical work, should have a minimum staff of 2 Research Statisticians and the necessary Statistical Assistants and Computers.

(ii) There should be a minimum of 2 Research Statisticians in each State Department.

(iii) 300 Research Statisticians, 340 Statistical Assistants and 560 Computers would be needed for the Second and Third Plans.

(iv) The possibility of integrating the statistical work of the various research departments in agricultural fields in the State into one strong unit should be explored.

3. (i) With the re-arrangement proposed for integrating the training programme of the Indian Council of Agricultural Research with that of the Indian Statistical Institute, the annual in-take to the diploma course conducted by the Council can be safely increased to 30.

(ii) If the I.C.A.R. Statistical Wing is to continue to perform its research functions properly, it should not be committed to too large a training programme.

(iii) In order to attract the most promising students for specialised training it is essential to provide scholarships for those entering post-graduate courses.

4. If a statistical cadre of high standard is to be built up and maintained, the initial scales of pay should be comparable with those that can be obtained in other fields of activity requiring similar ability and training.

## XI. Agricultural Economics

1. A close collaboration of agricultural economists with other specialists is required to improve the long-term efficiency of all sectors of agriculture.

2. (i) Agricultural economics at the post-graduate level is taught in a few agricultural colleges and in some universities and institutions. The candidates admitted to the latter secure a basic degree in economics and not in agriculture. It would be necessary to provide for both types of study.

(ii) For effective post-graduate research and teaching in agricultural economics, there should be a strong department of Agricultural Economics in at least one agricultural college in each State, under an officer of Class I status with adequate support at lower levels. The Professor of Agricultural Economics could also be the Agricultural Economist to the State Government and have necessary research support. This should be arranged during the Third Plan period.

3. All the major Commodity Committees should have their own agricultural economics sections.

4. The total requirements in the Third Plan period, for post-graduate agricultural colleges, agro-economic research and farm management research centres and co-operative development schemes of persons with a Doctorate degree in agricultural economics would be 200; and of persons with post-graduate degrees in agricultural economics, 700; and of graduates in agriculture with training in agricultural economics, about 1,350.

5. The University Grants Commission may take up the question of expanding and improving facilities for teaching of and research in agricultural economics at Universities. The Agricultural Economics Committee of the Indian Council of Agricultural Research, which is at present engaged in drawing up a suitable syllabus for the course in agricultural economics at the graduate and post-graduate levels in the agriculture colleges, may also go into the question of teaching agricultural economics at the Universities and make recommendations.

## **XII. Agricultural Engineering**

1. The requirement of graduates in agricultural engineering during 1957-61 will be about 80; and for the Third Plan period, about 200 per year. The out-put from the Agricultural Institute, Allahabad and the Institute of Technology, Kharagpur, is about 30 a year; and this would be adequate to meet the needs during the remaining years of the Second Plan.

2. Agricultural engineering should be one of the disciplines in the college which is developed in each State as a centre in post-graduate research and teaching during the Third Plan period. Agricultural engineering sections in the States and at the Central Institutes would require strengthening during this period.

3. The Committee endorses the suggestions of the Engineering Board, set up by the Ministry of Education and Scientific Research, that courses in agricultural engineering should be started on a regional basis in engineering colleges at selected centres having an agricultural college close by.

## **XIII. Plant Protection**

1. The most effective way of giving technical advice and material assistance on plant protection to farmers would be to provide each Block with a graduate and qualified plant protection Extension Officer, supported by a specialist (with a post-graduate degree) at the district level.

2. The total requirements of graduate technical personnel for plant protection work during the Third Plan period will be 5,800; of these about 2,900 will have to be graduates in agriculture.

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## BOOK REVIEWS

**THE SOVIET SYSTEM OF GOVERNMENT** By **JOHN N. HAZARD**. Chicago, University of Chicago Press, 1957, 256p. \$4.

**THE ADMINISTRATIVE STATE** By **FRITZ MORSTEIN MARX**. Chicago, University of Chicago Press, 1957, x, 202p., \$4.

Under the editorship of Roy C. Macridis the Chicago Library of Comparative Politics has brought these two books out as its first two volumes in a series meant to challenge the reader to independent thought. The first work, that of Prof. Hazard, deals with the Soviet Government in as full and objective a manner as is possible in the circumstances. For several years before, during and after the Second World War Prof. Hazard had opportunities of very close study of the structure and operation of the Soviet system of government. Apart from written records and interviews at high levels Prof. Hazard has drawn intensively on the results of interviews with Russian emigrants. The book that he has produced is as authoritative and analytical source book as we can hope to have for English readers. Not only the mechanics of Government, but all the social background and ideological urges which go to make the Soviet polity have been carefully described. Opinions intrude very rarely, and thus we have by our side a reliable informant on Soviet Government whom all students of government would like to consult for facts. The state of communication is no longer so unsatisfactory as to justify any reasonable doubts about the main outlines of the structure and operation of the Russian system of Government.

Prof. Hazard rightly discards the view held by some students of Russian affairs that the Russian system of government is a totalitarian and autocratic system masquerading under democratic forms and names. He sees no deliberate intent to be one thing while appearing to be another. On his part Prof. Hazard considers that the Russian system consists of democratic parts which are counter-balanced by authoritarian devices. This would mean that all parts, democratic and authoritarian, are consciously fitted into a system, without any intent of deceptiveness. This, however, leaves out the possibility, which in fact is the reality, that what Prof. Hazard calls the authoritarian features are for the Russians as integral a part of democratic structure, as those other features, which Prof. Hazard allows to be democratic. Prof. Hazard has described in full the whole scheme of Russian values and social apparatus. This leaves no doubt that the entire life of the Russian people, the Russian polity, flows from some principles, all of which have to be taken together to understand the working of Russian Government.

Quite elementarily, the common concept of Western democracy of popular participation does not hold the field in Russia. The common people are not considered either capable of understanding their real interests or of a desire and competence to share in the essential task of government, that of decision making. Government for the masses, not necessarily by the masses, is the Russian definition of democracy. For the essential task

of decision making a special group of elite personalities is considered to be essential in peoples' democracies. This elite is to be sought among the working classes who have a nearer contact with processes of modern industrialism than other classes in the community. From among the working classes such persons as have studied the Marxist-Leninist theory of the transformation of capitalism into socialism, and eventually into communism constitute the leadership group. The essentials of Marxist-Leninist science are self-evident and permanent. They need no further research or objective examination. What the leaders have to do is to band themselves into devoted and disciplined cadres to carry out the various functions essential for the preservation and progress of the socialist regime. Concentration of authority within the party, and the all-pervasive power of the party over all things and persons within the State, are integral and unalterable features of current Russian society.

Why should Russian courts which in all non-political matters appear to work with the greatest objectivity and consideration for real justice appear to be devoid of elementary consideration for equity in political cases, can only be answered in terms of the relativity of notions about equity and justice. Anything, literally anything including terror, which in the opinion of the supreme leadership of the party is considered necessary for the preservation of the Soviet regime, is accepted as being inherently right and just. By the very concept of discipline and non-factiousness within the party, rule of party necessarily develops into rule of personality. The personality cult is inconsistent with the principle of Soviet rule which ought to be collective rule. But the fact of personality rule is unavoidable in the Marxist-Leninist version of democracy in which decision making has to be shared only by a disciplined and centralized group of leaders. This is the real contradiction of Russian thought. Unless the protagonists of revolutionary socialism are prepared to concede to the mass of the people freedom to decide for themselves, no one except the supreme leader for the time being in the communist party can have that freedom. Such a system, howsoever benevolent it may be in some cases, is essentially an unstable system. Only by discarding their prejudice against people's capacity to judge for themselves can socialists hope to build democracy. Some at least among Russian socialists seem to be realizing this truth. Contacts with socialist regimes outside Russia are creating thought stirrings on both sides of the curtain.

Such rethinking is being denounced by leaders in authority as liberal deviation. There is another 'deviation', which is equally dreaded by persons in authority, but which seems to be equally natural. According to the traditional Marxist-Leninist views parties as well as nations are exclusive groups which arise only on account of conflict of economic interests. Where there is no conflict of economic interests as in a classless society there is no justification for a division into parties or nations. That is why good communists have necessarily to be non-factious and international. Whether conflict of economic interests has in fact ceased or not, its end has to be assumed as a communist axiom. Those who wield authority in the communist party of Soviet Russia constitute themselves into the interpreters not only of the interest of the Russian people but also of those of all working people of the world. Assumption of this role of leadership does not depend on the people of any other nation desiring the Russian Soviet leaders to do so. It is axiomatic, as nations are not recognized as normal and legitimate units. As communists have to be irreligious, they have

to be inter-, i.e., non-nationalists as well. That such an attitude towards other nations is inconsistent with an honest support to the doctrine of peaceful co-existence is obvious. Undoubtedly this perception, among other things is responsible for a lack of initial understanding between Soviet and non-Soviet negotiators of any international transactions with a political content. This contradiction between the doctrine of non-nationalism, wrongly described as inter-nationalism, and peaceful co-existence concerns the whole world, and if ever negotiations with Russia are to be pursued with confidence a clarification would have to be forthcoming.

Dr. Hazard's book contains a vast amount of detailed information on the well-known themes of police methods, trade unions and the educational system. But of greater interest to students of administration is the account of the working of the legal system and of local government. The system of lay judges, two of whom drawn from common citizens for about ten days in a year sit with professional judges in all original cases, is an interesting variant of the jury system. For fact finding and for assessment of evidence the lay judges are said to make a real contribution. The college of advocates supplies a panel of lawyers under a social assistance scheme to all litigants. These also are said to work with competence in all but political cases. The services, as distinguished from leaders of communist party, do seem to have quite a trying time with the ever present danger of complaints against them appearing even in the controlled press. It is not surprising that a large part of the services, including armed services, seek admission to the party itself. Party status is less insecure than service status. This is true right up the line till the president of the Supreme Council of Ministers. The machinery of government is only for the purpose of registering and carrying out the decisions of the party. Even this formality is not considered necessary in all cases, and often the party decides, announces and carries out important measures by itself. The Soviet Prime Minister is a shadow of the Party Secretary who may decide to do without this superfluity whenever a single representation of Russian authority is considered suitable. For objective students of the Soviet system of government and administration, Prof. Hazard's work must be considered to be not only a useful, but a necessary reading.

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The "Administrative State," which is the subject of study by Prof. Fritz Morstein Marx, is not necessarily a totalitarian or an authoritarian state. In fact citizens as well as servants are subjected to centralized authority in totalitarian regimes. The administrative state is a normal manifestation of constitutional government in industrially developed states. While the legislative and judicial branches of governmental organization continue to function normally, the quantum and technical complexity of administrative tasks involved in the activities of the modern state goes on increasing. For a satisfactory discharge of these functions a large professional corps of civil servants becomes necessary. While the administrative organs are by no means comparable with the legislative, judicial or high executive branches of constituted authority of the sovereign state, in their continuous and intimate impact on the life of the citizens administration, i.e., the service organisations, are coming to play a very important part. While political decision making cannot be left to the services, decision making in many technical and operational features has to be left to them, as they are functionally best qualified to decide between wrong and right decisions in these matters.

Any provision against wrong decisions has also to be made within the technical administrative organisation than within the political hierarchy, though it would be the duty of the latter to ensure that the former, like all other organs of the administration, is working satisfactorily.

Decisions of principle or of general application, which for technical and operational reasons have to be left to the administration, are not always on the high level of political policy. Contrary to traditional British thinking on the subject, exemplified in the famous "New Despotism" of Justice Hemart, decision making by the services has become a structural necessity. Prof. Marx correctly indicates the area of administration, as distinguished from political, decision making where far from being a despotism, service operation would be the only safe guide to fruitful and equitable action. The need to have trained and professional services has been emphasised by these very aspects of public administration, both in its organizational and technical aspects. The entry into public service, occasionally for only brief periods of duty, of experienced professionals has made decision making by and with the advice of, services even more natural and legitimate.

Another feature traditionally associated with the services, particularly with the higher services, is that of political neutrality. Does the civil servant serve the regime or does he serve the state? A question like this can have relevance only where a regime is replaceable. Where the regime is not constitutionally replaceable, there is no distinction between the state and the government. Even where the government is constitutionally removable the services can be permitted to have an independent judgment about the interests of the state, as distinguished from those of the government of the day only to the extent to which the constitution supplies a firm guidance on the subject. In the language of German Civil Service Act of 1953: "By his entire conduct the civil servant must profess his attachment to the free democratic order in the sense of the Basic Law and exert himself for its preservation." It is characteristic of the status of the civil servant that even when he professes to act in support of the basic law, he has no legal redress against the government of the day. He has to submit himself to the processes of legal inquiry into his conduct, and it is for the administrative judges, some of whom may be his own peers to say whether he wrongly interpreted his duty to the state. This is where the tradition of merit, coupled with devotion and integrity, created by each service for itself stands it in good stead. A state which desires to be well served by its administrative cadres should, therefore, be very careful in building up a well trained and professional corps of civil servants.

The pace of change in policy as well as in execution has grown so tremendously in the recent past that services are finding it well-nigh impossible to maintain a pose either of superiority of merit or of aloofness of interest. If only they exert to the full to identify themselves with the long term interests of the people at large they will find that their claim to independent advisers will be accepted by the people and their leaders. As Prof. Marx says: "Administrative neutrality...is a militant creed...It is an abuse of the concept of neutrality when it is invoked by the civil servant as a convenient way out of any personal involvement in public decisions or as a justification for hanging tightly to the coat tails of those bearing political responsibility." Properly interpreted there is no need why the concern of the civil servant for the

constitution and for the long term interests of the public at large should make him a conservative or even a moderate centralist, as Prof. Marx thinks it would. In fact, it is this static attitude on the responsibilities of the civil services which would appear to lead to the somewhat pessimistic future which he envisages for the career services. If only the services could really imbibe the principles, not only the words, of the constitution, and if they were to identify themselves with the people in the emotional as well as the intellectual process of decision making, they with their selective merit and experience would have a most valuable contribution to make towards the progress of the state.

As Prof. Marx says in the concluding part of his admirable work : "It is clear that significant advances in the functional efficiency of the "administrative state" cannot be expected without corresponding changes in the working style of the administrative system. In this respect perhaps the most important thing is the acceptance within the higher civil service of a re-orientation toward its role. The men of the top cadre must shift their attention from watching "processes" to measuring their impact, from "getting things done" to giving each citizen his due, from the technology of administration to its effect upon the general public, from utility to ethics. Not what is being said but what is being done will decide whether the "administrative state" will stand out eventually as a benefactor or as a destroyer. It is for the civil servant to realize that much of what can be done must be his doing."

—D. G. Karve

**THE MACHINERY OF LOCAL GOVERNMENT** By R.M. JACKSON. London, Macmillan & Co. Ltd., 1958, xii, 350p. 3. s.

Here is an engrossing study of English Local Government. It appears at places to have been written in the manner of a text book, with the pros and cons of an argument analysed and carefully itemised. But, nevertheless, the subject is treated with a difference—Local Government is looked at as an integral part of the whole scheme of government. Over and over again, a problem is considered with reference to the implications that arise at the national and the local levels. Party politics and the system of elections are, for example, two matters that are so analysed. In the result, one is enabled to obtain a clearer idea of the fundamentals and of the need for their adaptation in different contexts. Secondly, the book, though essentially concerned with the English system, draws upon law and practice prevailing in other countries, too. This is, in a sense, inevitable, for, as the author says, "local authorities in different countries are engaged in work that is much the same, and their troubles are much the same." The overtures of difference arising from local peculiarities and background are handled with judgment; and the impression left behind is that of the essential sameness of the aim and practice of local government.

There is a great deal in the book that is of special interest and significance to Indian students of local government. We have heard and continue to hear a long debate on the place of the Municipal Corporation in the local scheme of things. There is still a tendency, nay a desire, to look upon the local authority as much the same thing, though on a smaller scale, as the national or a State Government. Such an assumption



is, however, fallacious. National and State Governments are formed and run on the basis of political creeds and the support these creeds find from the electorate. But the party system, operating to frame policy based on political grounds, has no real place in local government. A local Council does not have to produce from its members a government that can command a majority in the Council. "It is true that some people (mostly keen party supporters) say that local government is greatly improved when it is run on party lines, whereas other people (certainly as well informed) say that party politics do more harm than good. But no one has ever maintained that the working of local government depends on parties; manifestly it can and does work quite well without them." An analysis of achievements does not suggest that their pattern is, to any substantial degree, related to political creed. Some of the most "Socialist" things that have been done in local government in England have been done by Councils having conservative majorities and vice versa. Indeed, England seems to be drifting, especially after the last war, into a situation where the conduct of local affairs might be better if there were less party politics.

National and State Governments under a federal system are supreme. Local Government, on the other hand, has its powers and functions determined by the law of the legislature above. It must, therefore, work in a realm where, although certain powers are exercised in its own right, operation in the manner of a legislature, is ruled out. A local authority is essentially an administrative organ and the technique that is appropriate is vastly different from that of political government at the national or state level.

These differences in nature and organisation, Mr. Jackson argues, ought to determine the system of elections suited to each level of government. Parliament, on any theory of elections, must be organised politically. The job of local Councils is to be *local*, so that the services and the administration are as much in accordance with local requirements as can be secured within reasonable limits. A local Council must, therefore, consist of men and women who know and can speak for all kinds and sections of the local people. The way in which the members of Parliament are selected should thus be related to Parliament and its functions; and the system for local Councils should be settled specifically for their needs. To give these Councils the best chance of being representative, an electoral system is needed that will give minority opinion a fair share. The approved method is proportional representation, by the single transferable vote. It ensures to a candidate a fair chance of success if a substantial number of people will give him their support, whether the supporters are unorganised or are a non-party body (as when women's organisations support a woman candidate) or are a minority political party. These reflections from a country that has so long and so successfully worked local government represent a reaction against the bane of politics operating in a field alien to it. They provide us with much food for thought, but it does not appear that we have yet made any penetrating study of the issues involved.

But in the light of our own experiences of the expanding territorial jurisdiction of town councils and corporations, it is interesting to know that thought in England has started to doubt whether a town, separated from the surrounding countryside, should continue to be a unit of separate local government. Frequently, a town and its surrounding areas appear as one, when we think of the social, cultural and economic life of the people.

But when we look at local government structure, all that we see is a division of territory and powers. Much debate has taken place on the amalgamation of local authorities to produce better and more homogeneous administrative units. The social pattern, the size of population, the needs of a strong administrative machinery have all been discussed as possible criteria for a scheme of reorganisation. But old established councils have shown a great deal of resistance to change, despite the clearly demonstrated need for such change. The author says: "The case for re-casting it (Local Government) is that it could be better and some conflicts could be remedied, but as it is nowhere near to breaking down, its structure is to be repaired rather than to be re-built." In India, we are fortunate that we have been able to make greater progress in the re-organisation of jurisdiction and the amalgamation of smaller, less viable units of local government.

The chapters on "Finance", "Relation with the Central Government" and "Dishonesty and Corruption" contain much that is apt for Indian conditions and are well worth a study. The last subject, particularly, covers ground in respect of which there is not much literature. The legal and other restraints that exist do, no doubt, have a salutary effect, but as the author explains "law is only one of the social controls that influence men's conduct". An improvement in the standards of integrity has, in England, been a matter of interesting historical change. An earlier system of general and gross corruption has given place to one of fairly high standards. The emergence of honest politicians and civil servants is not the result of any single cause. Many factors have operated, not the least important of which has been the growth of professional bodies that have imposed and enforced a high standard of conduct on its members. Perhaps here is the direction in which India can profitably move.

—P. R. Nayak

**TRAINING IN PUBLIC ADMINISTRATION.** *New York, United Nations Technical Assistance Administration, 1958, 46p. \$0.25.*

This is a short but highly informative study based on the material prepared for the United Nations Expert Working Group which met in Geneva from October 9 to 16, 1957, to review and evaluate the progress of the U.N. training projects in the field of public administration. The experts were four on South America, three on Africa, three on the Middle East and one on South East Asia. The Working Group was attended on behalf of the Government of India by *Shri L.P. Singh, I.C.S.*, Director, Central Manpower Directorate, and Officer on Special Duty for enquiry into services organisation questions, Union Ministry of Home Affairs.

The U.N. training projects are both national and regional. In the case of regional projects, the training institution is either operated jointly by a group of countries or provision is made, through U.N. fellowships and payment of travel costs, for trainees from neighbouring countries to attend at a national training institution. The training institution receives technical assistance from the United Nations mainly in the form of services of experts and fellowships.

The Study claims that the benefits of a successful public administration training scheme are not confined to increasing the effectiveness of the public service, the training institution also indirectly stimulates administrative reforms and improvements to enable the government mechanism to

cope with the increased burdens of economic and social development. A training project has thus an expanding influence beyond its immediate impact on the individuals, it has a "multiplier" effect. The training institution tends to become a focal point of new ideas and insights into the techniques of public administration. The numerous problems of rendering of technical assistance—the nature of the project, the form and location of the training institution, its independence, support by government departments, the question of recruitment and adaptation of experts, and effective utilization of fellowships—all have been dealt with in a pragmatic manner. So are the problems relating to the arrangements to be made by the training institutions recipient of technical assistance. A full section is then devoted to technical aspects of training, covering selection of trainees, teaching materials, methods of instruction, the nature, content and duration of the course, etc. This is followed by certain conclusions relating to the evaluation of technical assistance training projects.

Some of the observations made in the Study deserve special notice. We are told that many of a country's needs in administrative training will only become clear as the project grows and reveals where additions or modifications are needed; that the training institution should free itself from some of the restraints of *administrative* and *academic* tradition; that a combination of academic staff and public servants will give the institution the necessary balance between theory and practice; that the international expert has to adjust his ideas to a scale of priority of needs at first totally unfamiliar to him and he must not suggest more innovation at once than the situation will bear; and that training at the institute of public administration should not compete with the university, it should seek to supplement academic studies by demonstrating the application of theory and principle to the realities of the local situation. The nature and scope of the curriculum have to be adjusted to the type of training to be imparted. The training scheme may cater to the requirements of senior or junior generalist-administrators or functional specialists or clerical secretariat personnel, or concentrate on special phases of administration common to all departments. The training institution may even gradually adopt a role of stimulation and advice. In organizing a training course efforts should be made to avoid a curriculum so broad as to duplicate university study, and advanced material so specialized as to help only a limited group in particular jobs.

Most of these observations are pertinent not only to the U.N. centres for training in public administration but also for any national centre or school in the field such as the School of Public Administration which the Indian Institute of Public Administration proposes to set up. The Study also reveals that the role of an institute of public administration varies a good deal in different countries, depending upon national conditions and circumstances.

The success of an internationally-aided training centre in public administration depends partly on the quality of instruction. The duration of the stay of international experts at the training institution should be sufficiently long to enable them to acquire an adequate knowledge of local traditions and circumstances. The national government may even utilize their services in an advisory capacity in connection with the planning and evaluation of some of its administrative projects. This experience will also help to

impart a realistic touch to the instruction given by the international expert. No less important is maintaining a regular contact by the training centre with the appropriate higher educational institutions in the country. The training centre may even be located in the vicinity of an important national university. The universities maintain a certain amount of intellectual freedom. The training of administrators, particularly of middle and higher levels, cannot be effective without their indoctrination into the basic concepts of public administration; theory should permeate the entire programme, 'from the arrangement of subject-matter to the choice of example'. Again there is need for a 'foundational and background' course for recruits to administrative services. The new welfare and development tasks, which the administrator today has to perform, call for a wide knowledge and understanding of the complexities and inter-relationships of modern social, economic and political life. The emphasis in administrative studies has therefore to be on the study of the administrative process as a synthesis of many and varied fields of knowledge. Above all it might be worthwhile for the United Nations to look into the changes in the nature, form and content of technical assistance which are needed to reorient the training programme of the U.N. centres to meet the new needs of development of the recipient countries.

—V. K. N. Menon

**CENTRAL ADMINISTRATION IN BRITAIN.** By W.J.M. MACKENZIE & J.W. GROVE. London, Longmans, Green and Co., 1957, xiii, 487p. 30/-.

In several British Universities study and research in the field of Public Administration have been substantially extended in the post-war period. Degree and diploma courses in Public Administration have been instituted at quite a few places while the expansion of research facilities has resulted in the publication of several valuable monographs. But there has been a lack of a comprehensive and up-to-date text-book, giving a systematic exposition of the chief features and problems of the Central Administration and its personnel. The two books which appeared some years ago—Professor S.E. Finer's "A Primer of Public Administration" and Mr. E.N. Gladden's "An Introduction to Public Administration"—are rather too elementary to be of much use to the University teachers and advanced students as well as to the civil servants. The book under review, therefore, fills a lacuna in the literature on the British Administration by providing a lucid and comprehensive account of the administrative system and its traditions. The two authors of the book display sound scholarship with inside knowledge of the British Administration. This is mostly due to the fact that Prof. Mackenzie is not only a well-known scholar but has also served as a temporary civil servant during the Second World War while Mr. Grove, a University teacher, can claim valuable experience in the field of Local Administration and in the Army.

The book is not only highly informative about the present British administrative set-up but also provides a historical perspective of the administration. Again, not only the material has been properly digested and systematised by the authors but a check-up of the book testifies to the general accuracy of its contents. The book is also interspersed with illuminating

comments of the authors on the working of the administrative system. Another important feature of the book is that the human aspect of the administration has not been ignored by the authors altogether as is generally done by many writers of text-books on Public Administration.

Part I of the book deals with the Civil Service. Herein is sketched the Treasury's role as the Central Personnel Agency. Due notice has also been taken of the working of the Civil Service Commission which has established a big reputation during about hundred years of its existence. A substantial account has also been given of the structure, recruitment, training, terms of employment, staff associations and Whitleyism within the Civil Service. The account of the prevailing standards and attitudes among the civil servants provide an interesting reading to an Indian reader in view of the general deterioration in the administrative standards which he finds in his own country today.

Part II of the book is concerned with the organization, methods and procedures of the various departments. The authors have also given a description of the administrative process, though rather briefly. The post-war trends—such as the increasing use of O & M, the strengthening of Establishment Divisions for promoting better personnel and management policies as well as practices and the big expansion in the field organizations of some Central Departments—have been well brought out in addition to the description of the routine administrative structure and practices.

Part III relates to the Central direction and co-ordination provided by the Cabinet, the financial control and the Common Services. The description of the Cabinet's role within the administration will be of interest to us in India where the Cabinet system is still in its initial stage of development.

In Part IV is delineated the impact of Parliament upon the position and work of the civil servants. This is again of considerable interest to us in this country where the proper adjustment between the respective position of Parliament and civil servants has yet to be adequately attained. The authors have also taken into account the relationship which exists between the Central Administrative Departments on one side and the Local Authorities as well as the independent public bodies on the other. They have also touched upon the attitude of the administration towards the people and pressure groups and vice versa. This description of the new administrative problems in the rapidly developing welfare State in Britain would certainly be of interest to people in India as well as in any other country which is struggling to orient by administrative system to make it serve the needs of a new Democracy engaged on welfare planning.

The book, however, suffers from a few limitations. In the first place, the authors have not been as critical and analytical in their approach as one would have wished. They have devoted most of the space to the description of the administration and its traditions while their comments on some of the administrative controversies facing post-war Britain are rather meagre. For example, the position of the specialist in the administrative hierarchy, the social origins of the higher civil servants, the need for controlling the growing power of the administrative tribunals deserve a fuller treatment in a

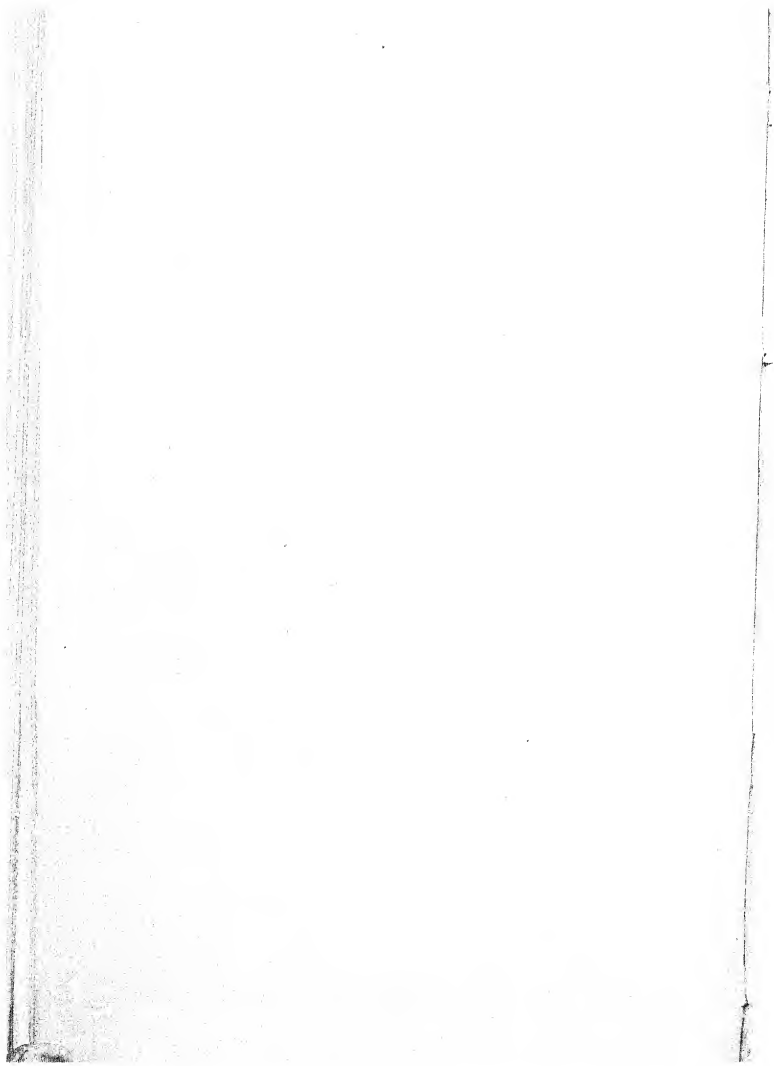
book on Central Administration. Again, one would have wished for a somewhat fuller account of the relationship between the Public Corporations and British Parliament which has been arousing considerable interest in the country.

Secondly, the authors of the book have not made any significant comparisons between the administrative system in Britain and that of any other democratic country. One feels that a comparative study might have enabled the authors to offer broad reflections in the field of Public Administration which would have added to the value of the book to the teacher, the administrator and the advanced student.

—B. S. Khanna



We wish to inform the readers of this *Journal* that the article on "Henley and Hyderabad" by Mr. J.W.L. Adams published in our last (January-March, 1958) issue did not contain the text as originally contributed by him; the MS was modified in several places to bring it to the standard pattern of articles published in the *Journal*. As Mr. Adams has since expressed a wish that the original text of his article should be made available to our subscribers, it is being published and circulated separately.



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## RECENT TRENDS IN PUBLIC ADMINISTRATION IN FRANCE\*

*Andre Bertrand*

**B**EFORE dealing with the exact subject of today's lecture it seems necessary to me to try to place before you some definitions in order to enable you to know precisely what I am going to talk about. "Public Administration" ("L'Administration publique") is, in my view, *firstly*, an organism having activities defined directly or indirectly by law, with a view to accomplishing certain tasks of general interest; and *secondly*, the activities of such an organism, whether within itself or in contact with citizens in the outside world, directed towards the fulfilment of public purposes. One who wants to study public administration in both these aspects will have to look at its structure, procedures, organisation and methods, the means which it has at its disposal—means of action in terms of things, movable or immovable, and of men—and the rules which govern these means of action. If this definition is to be accepted, Public Administration can then fairly easily be distinguished from another one—that of administration in general or private administration in particular—in two essential respects : *first*, a private administration, a private organism, is not created by law; and *secondly*, a private organism is not by nature dedicated to the general interest of the community. But apart from these two differences, which, of course, are important ones, the definitions of public administration and private administration have much in common. This, I believe, explains the first kind of approach to the science of public administration which seems to me to have been, to a fairly great extent, the American one. This approach lays more emphasis on the similarities than on the differences between public administration and administration in general. The American experts in the field have, broadly speaking, thus risen from management of private

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\*Text of a lecture delivered at the I.I.P.A. on November 30, 1956. It could not be published earlier due to unavoidable circumstances.



enterprise to public administration. If, on the contrary, we concentrate more on the differences than on the similarities between the two kinds of administration, we come to another set of approaches to the same problem. The first one, that is to say, the first of the second category, is what I would call the English one. It takes the view that the administrative bodies set up by law or administrative regulations, and placed at the disposal of the Government and are thus an instrument of the Executive. The English experts in the field arrive at the study of Public Administration proper by starting from that of Political Science, Political Philosophy and History and Constitutional Law.

The second approach of the second category—which I would like to call the third approach and which is the French one—takes into consideration the fact that not only is public administration so created by law, but also furthermore, that, in France as well as in many other countries, particularly in most of the continental countries of Europe, it is governed by an autonomous body of legal rules called “administrative law” and controlled by a set of administrative courts the highest of which in France is the Conseil d’etat. This system is clearly the opposite of the one governed by the principles of “unity of jurisdiction” which is to be found in the “Common Law”-countries as well as, if I am not mistaken, in India today. The French approach has thus consisted in shifting from Administrative Law to Public Administration proper. During my talk tonight I will be dealing with the new trends in Public Administration in France in the context of this third approach only. In order to study these new trends it is important to examine, what seems to me, the two main series of problems. The first, which is purely of a scientific nature, relates to the study of the development of the science of Public Administration in France in the context of the legal approach which I have just now defined. The second series of problems is mainly institutional, that is to say, “through what channels, what organisms is the science of Public Administration developing today in France”? And these two series will constitute the two parts into which this lecture will be divided.

## II

In order to examine the development of the science of Public Administration in France in a scientific way, we have to go back to the French legal or juridical approach. Historically, though, this approach was not the first one—a fact which is often forgotten, even in France, today. The recognition of the importance of administration of the various departments in the Government, the increase in the number of civil servants and other similar developments date back to the French Revolution, still more to the Napoleonic Empire and the

Restoration period that followed after 1815. It may be of some interest to point out that the first books which at that time were published on administration did not deal purely with Administrative Law. The first one of these was by Bonnin in 1811, and was entitled : "Principles of Public Administration". Between 1840-50, two other great authors, who were members of the Conseil d'etat, *Vivien* and *Aucoc*, wrote other books which predominantly dealt with non-juridical aspects of administration. But afterwards, the courts, created by Napoleon in the beginning of the 19th century, became courts of justice in the full sense of the term—tribunals with a system of what is called delegated justice, and no longer 'kept justice', *i.e.*, they directly passed judgments, on the cases referred to them, without presenting advice to the executive. They had a final say in the matter as courts of justice normally have. This happened in 1872. As a result of this development the observers of administrative phenomena came to see them only through the judicial side, *i.e.*, through the judgments of the highest administrative court, the Conseil d'etat. It therefore became normal and logical that the writers, who wrote about Administration and who were professors of law, studied specifically Administrative Law and left aside all other aspects of the administration.

From 1880 up to the Second World War, the books written by great authors like Laferriere, Duguit, Hauriou, Jeze, Barthelemy, and, in modern times, Waline, some of which were real master-pieces in their own field, exercised a very deep influence not only in Europe but also in other countries adhering to the French system of "duality of jurisdictions", such as in Egypt, Lebanon and some countries of Latin America. These master-pieces were books of Administrative Law in the strictest sense of the term, and Public Administration was left out entirely. But after the Second World War the picture began to change, probably under the influence of various factors. During the last years of the war there existed more intimate contacts than even before between France and Anglo-Saxon countries they resulted in a sort of greater influence of Anglo-Saxon ideas even in scientific fields, such as the one we are dealing with tonight. Apart from this factor which was external, others, purely internal ones, still more important, were at work. After the terrible war—ordeals of five years which France had gone through, the Provisional Government of the Republic, headed at that time by Gen. Charles de Gaulle, strongly felt that in order to build a new France it was essential to have, as a sound basis for it, a civil service of the highest possible quality. In studying the problems of getting such a civil service, it is quite obvious that one had to look at it not only from a purely legal point of view, but in a broader context.

The period which followed the liberation of France was generally characterised by frequent discussions, both at the political and the administrative levels, about the utility of various administrative adjustments and reforms. For instance, inside the government itself, it was at that time that the General Secretariat of the Government was created, which I would roughly put as the equivalent of the British Cabinet Office; and it was at that time that the problems of regional adaptation were thoroughly discussed. Thus, the last 10 years or so mark the beginning of a revival of the study of Public Administration in France. And important among the main fields in which this revival is noticeable is that of personnel. The problems of personnel have been perhaps more thoroughly studied than any other problems in the recent past. A most important work on the subject is "The Civil Service" by Mr. Gregoire; it is a real treatise on public administration, and though it contains some legal developments, other aspects of sociological and psychological character clearly predominate.

The revival is also noticeable in regard to study of administrative structures and techniques. Various articles dealing with technical problems of the civil service have frequently appeared in the "Administrative Review" created after 1945. It is managed by active civil servants and not by university people—a fact which, I think, deserves special notice, because traditionally in France all other professional journals like "The Review of Public Law and Political Science" are generally directed by university professors of law. Similarly, during the last few years problems of administrative structure, in their broad context have been the subject of many articles published in the "French Review of Political Science", also created after the Second World War, in the Administrative Review and in some other books. I would also like to mention here a book written by Michel Debre: "The Death of the Republican State" which, though dealing mainly with Political Science, contains elements of a pure public administration character. This book is in a way a French example of the English approach, as public administration here is linked with political science developments. I may be allowed to refer to a smaller book I wrote myself a few years ago for the International Institute of Administrative Sciences (Brussels) on "Techniques of Governmental Work in the Modern State", establishing a comparison of these techniques in Great Britain, the United States and France. It is a study, both at the level of constitutional law and of public administration, of the various ways in which governmental work can be co-ordinated, essentially through agencies such as the Cabinet Office in England, the General Secretariat of the Government in France, and the President's Executive Office (especially the Bureau of the Budget) in the United States.

The third very important category of studies in public administration which has developed in France recently relates to problems of cost and efficiency of the public services. These studies originated with the setting up in 1947 of an inter-departmental committee attached to the Prime Minister's Office, called the Committee on the Study of Cost and Efficiency of Public Services. The Committee is still in existence and its reports have already led to some important administrative reforms. The Secretary-General of this Committee was Mr. G. Ardant, an Inspector of Finances, who, since, has been appointed General Commissar of Productivity in the French Public Service. And this distinguished civil servant has since written a very important book on public administration proper, called "The Techniques of the States". This work is based on the experience of Mr. G. Ardant as the Secretary-General of the Committee, I just mentioned. It deals with the various problems of efficiency of the public services in France and the methods by which this efficiency can be improved. It would be useful to note that these studies were conducted on a broad basis and were not so narrowly concentrated on what is known in the English speaking world as "O & M".

While these have been the main lines of the development of the study of public administration in France, "Budgeting" must be mentioned also. It used to be more studied in connection with law (as financial legislation) than in conjunction with Political Science and Economics (as a financial science.) But now, through the records of the activities of the French Ministry of Finance ("Les Inventaires Financiers") and through a periodical review which is published by it since the last World War, called "Statistics and Financial Studies", Budgeting, as a part of the science of public administration, is developing rapidly. One often finds in this review, studies on the structure of the budget services in France and abroad, the impact of budget rules and procedures on administrative management and the structure of economic public services—studies which definitely are of a public administration character. I would like also to add that important aspects of Public Administration, such as concentration, deconcentration, centralisation and decentralisation, contracts dealing with public works, etc., are still dealt with in France in university lectures and in books of Administrative Law, because these are essentially legal in their basic elements. But there has been a change in emphasis. Before the last World War, these were studied in a purely juridical way, but now, due to the various influences I have already mentioned, the non-legal aspects of these problems are much more insisted upon by the professors of law, and specially of Administrative Law, than ever before. This does not mean that they are mainly treated as elements of Public

Administration; but it does mean that indirectly some aspects of public administration are mentioned in the study, which was not the case before, so that in fact now many of the various subjects (I don't say all), which are covered, say, in a general American book on Public Administration, can be found as separate elements in France. What is still lacking is a comprehensive, general treatise on public administration, taken as an autonomous discipline. But I think that this lacuna will be fairly soon bridged, let us say, in the next 5 or 10 years, as a result of the evolutionary process I have just tried to describe. But that will be accomplished in a French way, that is to say, with more of an inter-connection between the legal and the non-legal aspects of administrative problems.

### III

Having outlined before you the new scientific aspects of the study of Public Administration in France, I would like to turn now to the second series of problems I have mentioned, *i.e.*, the new institutions which are interested in Public Administration in France today. Since 1945 these problems have been studied at three different levels: first, at the university level; secondly, at the level of the entrance to the civil service, and the civil service in this context means the administrative class; and the last and the third level is of the civil service itself for raising of its standards of performance and efficiency. Hence, the creation at these three different levels—first of all, of the Institutes of Political Science; secondly, of the National School of Administration; and lastly, of the National Centre of High Administrative Studies. These are the three institutions or types of institutions which deserve special mention, and I shall dwell on them at some length.

Starting with the university level, we find that the traditional structure of the French University was based, as you probably know, on the existence (1) of the Faculties of Law where the study of private law predominated, but where Economics also, and I would like to stress this point, were taught, as no autonomous faculties of Economics existed in France; and (2) of the Faculties of Arts, covering the study of such matters as Sociology, essentially in conjunction with Philosophy, General History, including, of course, Political, Economic and Social History, and Geography including Human and Economic Geography. Civil servants were mainly recruited from graduates from the Faculties of Law, because that was the old French tradition. According to that tradition, which may be of special interest to you because it is very different from the English one, a French civil servant was and is still supposed to be, to a fairly great extent, a lawyer. This fact helps to

explain that in 1871, the idea of a great Frenchman, E. Boutmy, was to create a new Superior School, in order to promote a more integrated teaching of social sciences in a broader sense thus bridging the existing gap between the Faculties of Law and Faculties of Arts. That school was the "Ecole Libre des Sciences Politiques", which was so set up some twenty years before its English counterpart—the London School of Economics. And, in fact, this School of Political Science played a decisive role in the preparation of entrants to the most brilliant posts of the Civil Service (the *Grands Corps*, the Ministry of Foreign Affairs, and the Finance Inspectorate) between its creation and the Second World War.

Then, in 1945, it was felt that the State ought to take over from private enterprise the School which was to be transformed into an university institute of political studies (the Institut d'Etudes Politiques of Paris) and at the same time to promote a policy of decentralisation by creating similar institutes—Institut d'Etudes Politiques—in the provinces. Six provincial institutes, of the same kind as the one in Paris, have been established since October 1945. Today there are such institutes in Algiers, Bordeaux, Grenoble, Lyons, Toulouse, and Strasbourg. You would note that there is no separate or autonomous institute of public administration in France. But many elements of the study of public administration are to be found in the programmes and curricula of these institutes of political studies. And the main elements so to be found, in the first place, cover general lectures dealing with the French and also very often with foreign administrative institutions, structures, and mechanism. I would like to mention the fact that in Paris, and even in many cases in the provinces, lectures are more often delivered by senior civil servants, especially by members of the *Grands Corps*, than by university professors. Secondly, the teaching of public administration is mainly the result of what we call '*travaux de conférences*', which, up to a point only, might be called in English 'seminar work'. This concrete and practical method of studying problems of various types is used by small groups of students, who are guided by "Maitres de Conférences" in the majority of cases active civil servants and who thus get used to examining the varied and complex aspects of an administrative situation and not only the legal rules which govern it.

At the research level, it must be added that a new centre was created in 1955, under the name of "National Foundation of Political Studies" and this Centre inherited the library of the School (*Ecole Libre*) erected in 1871. At this Foundation, a section specialised on research in public administration is going to be set up in 1957.

The administrative structure of these university Institutes is rather simple. Once again, you will find here a link between law and public administration in France. The Director is always, with the exceptions of Paris and Strasbourg, a professor of public law in the Faculty of Law of the town concerned, and there is also always an executive council to manage the affairs of each institute. It is headed by the Vice-Chancellor of the University. Its members include the Deans of both the Faculties of Law and Arts, and the Director of the National School of Administration.

If we now turn to the second level I have announced, that of the entrance to the civil service, we find a National School of Administration ("Ecole Nationale d'Administration") which was created in October 1945. I would say that this School is a blending of the English idea of a unified civil service and the French idea, which has been very dear to the French hearts for more than a century, of a professional school—a "great school of application", according to the French phrase, such as the ones which were created by the Revolution, the most glorious of which was the Ecole Polytechniques, founded by the "Convention" in 1798. The creation of this School meant that the various departmental and "Grands Corps" entrance examinations for entry to the civil services were abolished, and, instead of them, was instituted a competitive examination for entry to the National School. To be quite precise, there was not one examination set up, but two parallel ones: one for graduates from universities and diploma holders of various schools, and the other for civil servants of lower grades already employed in any public service for at least five years. The establishment of the new School has brought about a thoroughly unified process of recruiting the future high civil servants of the State. This has been achieved in the same way as it was realised earlier in Great Britain through the setting up of the civil service commission with its system of competitive examinations. But there is one distinct difference. In France, we felt we needed, as you did in India, a professional training school, in order to train probationers to the civil service, to make them learn the basic elements of their future jobs before they embarked upon their active service careers. And as it is a training school, it is outside the purview of any university. And, as it is naturally an inter-departmental one, it is directly attached to the Prime Minister's Office. Its director must be a high civil servant. In fact, since the School was created, it has been directed by a highly talented, former administrator Mr. Henry Bourdeau de Fontenay, who was the first "Republic-Commissar" appointed (for Normandy) in liberated France by the Provisional Government of the Republic in September 1944. There is also an Executive Board which is

ex-officio headed by the Vice-President of the "Conseil d'etat". It consists of 5 high civil servants, 5 university professors and 5 other distinguished people from other fields of activities, such as employers, trade unionists, etc. The Director of the Civil Service Office (*Direction de la Fonction Publique*) is also an ex-officio member.

Obviously, I don't intend to explain to you in detail what this National School of Administration is. That would require another full lecture. My purpose is only to let you know briefly what part Public Administration is playing in the way that School works. And that part can be summed up, I think, in this way. During the first year, the civil service probationers are sent to the provinces to undertake field work of a thoroughly practical nature under the guidance of the "prefet" or civil administrator. They see Public administration in action through this field work. They devote themselves to the practical activities in two ways in particular. First, they have to write two or three notes, as we call them, of 15 to 20 pages, dealing with an external service of the State as they have been able to study it in the district where they are located. This study of an external service is definitely a study of public administration in the broadest sense. Secondly, at the end of that same year, they are required to write what we call a "memoire de stage". This is a more comprehensive note (but not a thesis in the academic sense), on a subject they have had to deal with as probationers, that is to say, about which they have acquired some practical, personal experience. It must, as a rule, pose a problem which has to be solved and therefore about which the probationers have to propose personal solutions. Thus every year our probationers make available to the School, and more generally, to all those who are interested in Public Administration, a series of studies which may be, in some cases, of very great interest.

After finishing the first year of field work, the probationers come back to Paris for a year of studies proper at the school premises. And in these studies there are generally one or two or three courses which deal with public administration, administration structures or reforms, personnel management, governmental control of nationalised industries, etc. These courses have a more practical bias than those given at the institutes of political studies. But, far more important still than the lectures, they follow "Des travaux de conferences", thanks to which they do studies of public administration three times a week under the guidance of active civil servants. The supervising officer ensures that they take an objective, practical and synthetic approach to administrative problems and certainly not only a legal or financial or social one. It is always a blending of all these different perspectives which our probationers must bear in mind during the course of these



"Seminars". At the end of the second year comes a ranking examination. In this ranking examination, as we call it, there are two tests which are of a public administration character. First : on the basis of documents which are given to them to be studied, the probationers have to write, in six hours, an administrative note, or report which is supposed to have to be sent to a civil servant higher placed in the hierarchy, on a supposed case which is being put to them. Secondly : there is a *viva voce*, which consists of a 15 minutes *exposé* followed by 15 minutes cross-examination on subjects which normally are dealing with public administration on the basis of the results of the 'ranking' or 'classification' examination, and their performance in the first year and in the group seminars, of the second year, the trainees are ranked from first to last. Then, according to their order of merit, the section to which they belong\* and the posts which have been made available to them by the Government, they freely choose their posts of future appointment.

The third and last year covers another short period of field training, usually of two months, in the "private sector", after which the probationers come back for the last time to the National School in order to undertake very practical, technical and specialized work in small groups. The nature of this work varies according to the careers each of them has at that time already chosen. This practical work takes normally the form of "case studies". The probationers are asked, by their "directors of practical work", to study actual files which these directors have procured for them in advance, from their own offices. The probationers thoroughly examine what the difficulties of the case were and propose solutions which they consider most appropriate. These solutions are discussed between the "Director", the probationer and his fellow-trainees in small groups of 6 or 7 or 8 for two hours, may be for four hours if the case so requires. The third year of training is really a period of transition from the work of the probationer in the strictest sense to the work of an active civil servant.

#### IV

The third direction in which the study of public administration in France has shown most fruitful results relates to intensified in-service training courses for the higher civil service. It is a common knowledge that civil servants, after some years of active service, become too much used to what they are doing and are not curious enough about

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\*The probationers are divided into four sections : of general administration, of economic and financial administration, of social administration and of external affairs,

developments in other fields. It is therefore always useful to give them an opportunity at this stage of developing a broader horizon and of increasing their knowledge in the field of their specialisation or in allied matters. This is why at the same time the National School of Administration was set up, there was created also a Centre of High Administrative Studies (Centre des Hautes Etudes Administratives), which would be the French parallel to the Administrative Staff College at Henley-on-Thames. But there is a rather striking difference in that the proportions of civil servants and non-civil servants to be found at Henley on the one hand, and in Paris on the other, are exactly reverse. In other words, at the French Centre, out of the 20 to 30 *auditeurs* at what we call a session, 4/5th are civil servants and only 1/5th come from the private sector, liberal professions, etc.

The structure of this centre is very simple. Its Director is *ex-officio* the Director of the National School of Administration. The same executive board supervises also the work of the Centre; there is, however, another advisory board, in regard to the discussion-subjects chosen for each session of the Centre. A training session at the Centre lasts for about 3 to 4 months and is conducted on a part-time basis, that is to say, from Thursday to Saturday afternoon. In a sense instruction on part-time basis is certainly less favourable from a scientific point of view than the one on a full-time basis, as at Henley-on-Thames. But it has a practical advantage, because the various departments or the "Grand Corps" which are asked to send some of their civil servants to the Centre are probably better disposed to do so, knowing that these civil servants will go on doing essentially what is their normal job during the first half of the week. One main subject is chosen for each session, e.g., "The Role of French Government and Administration in International Technical Assistance" or "Economic Development of Sub-Developed Regions in France" or "The State and Scientific Research in France" and so on. The specific subject chosen for a session is thoroughly studied and discussed in all its possible aspects for 4 months under the guidance of an *ad hoc* Director who is appointed especially for that session and who works in very close contact with the Director of the Centre itself. A few lectures are delivered during the first week or so of the session to enable all the *auditeurs* who come from the various departments of the Government to acquaint themselves with the latest developments of the problem in a general, rather theoretical way. But that is only for a week or so and afterwards the *auditeurs* become the true instruments of their studies. Every time it is necessary, and it is often necessary, they do some field work outside Paris. In fact, in some cases field work was even done outside France. For instance, in the session on "Some

Administrative Problems of Large Cities" the trainees had to visit foreign towns as well. After the field work is over, the trainees come back to the Centre and are divided into small committees, each of which is allocated a certain part of the over-all study. These committees work for about two months, at the end of which a general report is prepared on the basis of the various separate reports previously got ready. Thus, Public Administration, in its most professional sense, but at the same time in a very scientific way, and I dare say at a very high level, is studied automatically in that way through the Centre of High Administrative Studies operating in France. But there is one disadvantage which I would like to specially mention. As the Centre deals with purely administrative problems and all its members (except 4 or 5) are civil servants every one of whom is bound to professional secrecy, the reports of sessions, as a rule, cannot be published. These reports, in most cases, are fairly of a high quality, and I feel it would be of great interest and perhaps it would promote a better understanding between the people and civil servants in France, if these reports could be made public.

## V

From the development which I have briefly outlined in my short lecture to-night, you will find that France is progressively catching up with other countries in the study and practice of public administration. Much still remains to be done; but much has already been done, and the main trends are clear enough. The study of Public Administration in France will undoubtedly keep its specific character and it is fortunate that it would be so. The French approach is and would be a very useful supplement to other approaches—the American, the British or the Indian. France has always been very deeply interested in the universal and comparative aspects of intellectual problems. Therefore, she will continue to develop the study of public administration according to such traditional lines of thought and she might, thus, be the pioneer of a more universal work in this field—by trying to bring about a sort of synthesis of the various national approaches for the benefit of the science of public administration—a science which has no fatherland particular to itself and, generally speaking, belongs to the whole world.

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## INTEGRATED RURAL DEVELOPMENT

*S. V. Ramamurty*

**D**URING the last two centuries village life has become anaemic and disintegrated through the introduction of an urban, colonial and commercial economy by the British rulers. The importance of cities has been enhanced as a result of the import of science and technology besides the politics of western rulers. The new philosophy of materialism with its sets of values divorced from the traditional and spiritual values of India, the new arts based on machines, the new modes of democratic organization, which while based on the whole people yet achieve full meaning and significance among the leaders who function in institutions concentrated in cities, have over-emphasized the political side of life to the detriment of the life of the people of the country in general. Politics has been on the whole an imposition on Indian life which while finding its natural habitat in cities has not fully fitted into villages and the country as a whole. Yet the civilization of India has been through many centuries identified with the life of the country rather than with its cities. The religion of India was rooted in the simple surroundings of villages more than in the bustle of cities. The culture of India has been widespread in its villages with their arts and crafts, the ceremonials of their social life and the cohesion of their public activities rather than with the luxury, the courtly pomp and the professional activities of cities, moving round kings, feudal lords and rich men. To rebuild Indian villages in the changed atmosphere of a free India, there is need both for a philosophy and a programme of rural development. Let me compare and contrast the elements of urban and rural life.

The atom of country life is the village; that of urban life is the individual citizen. This forms the basic distinction between the quality of life in the country and in cities. The definition of political democracy is that every man has a right to freedom subject to the equal right to freedom of others. This involves competition between individuals and furnishes a basis for individualism. As against this, rural democracy is based on the freedom of each individual subject to social well-being. Individual right is balanced by duty to society. Rural democracy is thus adapted to a socialist pattern of society. Residents of a village are subject to public opinion in the village. Their acts should not go contrary to accepted modes of conduct in the village. There is a balance between the individual and society

in a village which is not sought in a city. If competition is the prevailing motif of city life, co-operation is that of rural life.

Agriculture constitutes the prevailing economy of a village while industry and commerce that of a city. The village as a whole follows the moods of nature and adapts itself to its gifts. The individual in a city, each seeks his own way independently of his neighbour based on science and technology which give gifts in packets to individuals. Intellectual progress shows itself in the country as culture while that in cities is in the shape of science and technology. The basic culture of India can be seen and recognized in the country rather than in cities. In modern times, cities in Asia follow the pattern of European culture rather than Asian culture. In cities, the world meets. In the country, the national colour and quality of life is conserved.

Cities have their value in India as the centres where new knowledge in science and technology can be adapted to the needs of Indian life. Heavy industries, large industries, political and defence organization need large centres of Indian life which are or become cities. But the organization of life in cities differs in quality, purpose and mode of functioning from that of the country. In India, urban population to rural population is in the ratio of 20 : 80, while in the U.S.A., it is the reverse, namely 80 : 20. Politics which is the ideology of cities can be applied only to a small part of Indian life and development. There is need for a different ideology as the primary ideology of Indian life and development. I have coined the word 'Ruralics' to denote a philosophy of rural life.

What comes to India from the West has a place in the planning and development of India. But it should not be treated as providing a complete objective. The balance of urban and rural life is itself an element of 'ruralics'. This balance in India has been upset by colonial politics from the West which has built in India an urban and commercial life and made village economy anaemic. Village politics have often tended to be a cancerous growth, flourishing in village factions and breaking up the cohesion and co-operation of village life. The work of the National Planning Commission has thrown increased emphasis on rural development and advocated such urban development as will spread benefits over the whole country through nationalization of heavy and essential industries.

Village life in India was built up on the social and economic patterns available in pre-scientific age. Such life has been disintegrated by the imported methods of science and technology which tended to be adapted to the needs of cities and not of the country as

a whole. It is now recognized that science should be used not only for large industries in towns but also for medium and small-scale industries and down to village industries. It is recognized that electric power should be ruralized instead of being used only in towns. It is recognized that the culture of India can express itself through rural art better than through mechanized urban art. If a balance of modern amenities is struck between a village and a city through what may be called a *rurban* organization, there will be a better retention of intelligence and energy in village life. A town of 20,000 people gets a municipal council, a high school, a hospital, doctors and engineers. There is no reason why 20,000 people spread over a larger area in the shape of villages should not be provided with such amenities through a suitable organization designed by 'ruralics'. In villages themselves, science has begun to provide new modes of community action. The village lost its old economy as a result of the use of science and technology in cities. There is now a new economy in villages as a result of the increasing use of new knowledge and organization in villages. Agriculture in the village has now the benefit of improved seed, manure, implements and anti-pest measures produced with the help of science. Modern engineering has constituted large reservoirs of water which provide wholesale irrigation for villages. The Japanese method of cultivation of paddy has opened up to villages the possibility of producing 50 to 100 per cent more paddy crop. The Community Project organization has given to villages the opportunity to take mass action in the village for increased agricultural production, development of cottage industries and betterment of social conditions by the combined efforts of villagers.

The Planning Commission has initiated a programme of integrated rural development. This programme is based on four principles laid down by the Deputy Chairman of the Planning Commission. These four principles are :

1. Every family to have a plan;
2. An adult member of each family to be a member of a co-operative society by own right;
3. Special measures for women and children; and
4. Community activities.

Agricultural production is a result not only of the cultivation of nature but also the cultivation of man. For long the latter aspect has been neglected in India and man has been a missing link in Indian agriculture. The Community Project and National Extension Service movement has laid emphasis on human development in a village

in addition to natural development. To give concrete expression to this programme of rural development, two villages have been selected in Mysore each in a National Extension Service block. These are *Kodigahalli* village in Bangalore division and *Hittanahalli* village in Mysore division. Each of the villages has a panchayat and a co-operative society. With the co-operation of the village panchayatdars, the village level worker of the N.E.S. block has prepared two records :

A. A general list of families with the following columns :

- (1) Serial number of family
- (2) Head of family
- (3) Number of males, females and children in the family
- (4) Extent of the land holding in the family
- (5) Area irrigated and how
- (6) Membership of a co-operative society
- (7) Use of good seed
- (8) Use of manure—chemical, compost and green
- (9) Marketing co-operatively or through merchants.

B. A case sheet for each family has also been prepared. In this the heading of the various columns mentioned in 'A' from (5) onwards are dealt with and under each heading (a) denotes the present position and (b) denotes proposals for improvement. The following additional headings are also dealt with :—

- (10) Position of women and children in the family
- (11) Use of cottage industries in spare time
- (12) Participation in community activities, social and economic
- (13) Assessment of the possibilities of improving the economic activities of the village as a whole with special reference to increase of agricultural production, growing good seed and green manure for the village in the village.

In each village a plan for each family is in course of preparation by the village level worker and the village panchayatdars, with the guidance of the Block Development Officer and the various officers of the State Development Departments. Having prepared these plans they will help in their implementation.

The village of *Kodigahalli* has a population of 600 with 102 families. Nearly 75% of the families have membership in the co-operative

society. The Japanese method of paddy cultivation which has been introduced in the village is proposed to be adopted over all the paddy land in the village as well as on the land owned by the villagers of *Kodigahalli* in neighbouring villages in the course of the coming year. The use of good seed, of green manure and chemical fertilisers is being systematically spread. The provision of credit of Rs. 100 an acre to carry out the Japanese method is being arranged. Almost all the villagers are known to the village level worker. The social education organizer of the block has started a women's samaj, a children's club and has helped the adoption of improvements in the house. The village has a system of free Monday labour and with this they have built village roads, drains and are to build a village panchayat house. A Bharat Sevak Samaj has been started in the village with three sub-committees for agriculture, for Monday labour and youth organization and for education and social education. The other villages in the jurisdiction of the village level worker in charge of *Kodigahalli* are also to be helped to emulate the intensive development of *Kodigahalli*.

The *Hittanahalli* village has a population of 1500 with 270 families. Out of 300 acres of paddy land, the Japanese method is adopted on 205 acres. In the remaining 95 acres most of the measures of the Japanese method are being followed. The production per acre of paddy has risen from 1500-2000 lbs. to 3000-3500 lbs. Increase of yield has been due to reduced seed rate, use of green manure, improved poughs, use of chemical manure, weeding as well as provision of short term credit. Green manure is being raised and chemical manure supplied to the village. It is expected that half the chemicals could be cut down if the production of green manure was increased. The other villages around *Hittanahalli* have got panchayats and two-thirds of the families are also members of co-operative societies.

Speaking generally, *Kodigahalli* is a village with good leadership and human resources. *Hittanahalli* is a village with good natural resources as it is fed by the Cauvery channels. In both, the villagers are organizing community life through concerted action. In the past a village level worker addressed villagers with a forward outlook and some of them followed his advice. The result has been that rich villagers have become richer but poor villagers have remained where they are. On the basis of the programme for rural development initiated by the Planning Commission, every family has to have a plan of development so that it is not merely the maximum production in the village that will be raised but also the average production. The difficulty in India is not that high yields of production are not reached here and there but that the average production is low. In irrigated areas the average production of paddy is about 1600 to 1800 lbs. an



acre. It is definitely possible to raise this average by 50% to about 2500 lbs. The integration of village effort is a source of mobilizing the human energy of the village. The power of an integral is greater than the sum of the power of its parts. A disciplined regiment of a thousand soldiers is more powerful than an army many thousand strong but undisciplined. Village life can become enriched through organization. A common type of plan for the whole village based on its geography, its history, its economic resources and the quality of its people, will produce a 'single mindedness' comparable to that of a disciplined regiment.

For the re-orientation and rebuilding of village life in India there is need both for the philosophy and the programme of concrete action that have been described above. The success of the experiments in Mysore will be watched with interest.



"Public administration, apart from the normal features that it should have, should be intimately concerned with public co-operation. The idea of a public servant sitting in a world apart and doling out impartial justice is completely out of place in a democratic society, and much more so in a dynamic democratic society which is moving forward, because the very pace of moving forward depends not on the public servant but on the people, and if there is no intimate connection between the people and the public servant, then he may be efficient but there is no movement forward."....."in the modern age the success of the public servant lies, in addition to ability, efficiency and integrity, upon his capacity to co-operate with the public. It is an essential requirement of the public servant of today. If he cannot meet it, all his efficiency is not of much use."

—JAWAHARLAL NEHRU

(in Presidential Address at the Fourth  
Annual Meeting of the General Body  
of the I.I.P.A. held on the 5th April, 1958.)

## HEARING AND CONSULTATION PROCEDURE IN PUBLIC ADMINISTRATION

R. C. Dutt

THE subject of "Hearing and Consultation Procedure in Public Administration" formed one of the three subjects discussed at a Round Table arranged by the International Institute of Administrative Sciences at Liege (Belgium) this summer. The importance which such procedure has assumed in the democratic administrations of modern states amply justifies its detailed consideration by an international organisation devoted to the study of public administration.

There are two factors which contribute to the importance of this procedure in modern administrations. The first is the complexity as well as the comprehensiveness of the functions of the states in relation to their citizens. The nineteenth century theory of individualism and *laissez faire* has given place to state control in all spheres of national activity. The theorists of the last century envisaged individuals developing their full stature once they were freed of the bonds which the state imposed on them. The twentieth century soon revealed, however, that the bonds were forged really by the unrestricted social and economic forces, and that it was only when these forces were controlled by the state that the citizens could reap the full benefits of the highly technological civilisation which is the characteristics of the present century. The need for state control is, therefore, fully recognised now, and this control spreads to larger and newer fields as society becomes more and more complex. State control takes various forms. It may take the restrictive form of a prohibitory nature, or it may take the constructive form of development by providing help and guidance where they are needed. In fact, every state measure has both these aspects in a greater or less degree. A restrictive measure is justified only because it provides the background for development. Even the purely law and order activities, which form the traditionally regulatory functions of the state, are relevant because they create conditions which are the essential pre-requisites of social and economic development. Whatever form such activities may take, however, they have to be based on the fullest available information on the subject sought to be regulated or developed. The term "information" is used here in the broadest sense. It includes not merely data of a statistical or factual nature, but also knowledge of the

forces sought to be controlled and the probable result of the activities proposed to be undertaken.

The second factor which lends importance to consultative procedure is the democratic nature of the administration. It is possible to conceive of a completely autocratic state which imposes its "fiat" on society or on social groups without any attempt to ascertain the views or opinions of the latter. Even in such cases, the first factor will operate. The need will still exist to collect not only factual data, but also to obtain "expert" advice. It is conceivable, however, that a purely autocratic state need not go beyond this. In fact, this is hardly true of any state today where citizens have attained a certain degree of maturity, and it is less and less true the more democratic a state is in nature. On the other hand, in a modern state, the facts of increasing state activity and the complexity of social life lead to forces and interests being continually realigned in organisations such as those of employers' or employees' unions, of professional associations and other interest groups. These groups clamour to be heard and consulted, and few states, even if not fully democratic, can afford to ignore such claims. Thus arises the need for consultation in the modern administration, a need which is increasingly felt in states where there is a conscious desire to exercise authority in accordance with the wishes of the people.

The distinction between "hearing" and "consultation" is more one of emphasis and procedure than of substance. The emphasis in the hearing procedure is on the information sought to be obtained. The procedure is to provide an opportunity to the persons or the groups of persons concerned, who have the requisite information, to be heard. In the consultation procedure, on the other hand, the emphasis is on opinions. The procedure generally is to constitute "councils" and "boards" which tender "advice". The two processes are, however, by no means exclusive of each other. As indicated in the next section of this article, information is often collected by "committees" and "commissions". They hear the parties concerned and elicit both factual information as well as opinions and points of view. So far the procedure is one of hearing. Their reports, however, are not merely collections of such information. They examine the information, analyse them and tender their advice. In doing so, they become consultative bodies, and the procedure is indistinguishable from that of the consultative bodies. On the other hand, a purely consultative body as the Panel of Economists who are consulted by the Planning Commission may well consider it necessary to hear others before tendering advice to Government. Even a consultative body of non-experts may find it necessary to elicit facts and

views before formulating specific recommendations. In such cases, the hearing procedure is combined with that of consultation, and the entire process has characteristics of both. Nevertheless, the distinction between Hearing and Consultation, indicating, as it does, the emphasis on one aspect or the other, has a useful, though limited, role in the examination and analysis of the functions of such bodies.

### Hearing Procedure

Theoretically, there is no reason why collection of data or information in the form of hearing should not be done directly by Government or by an agent authorised by them and acting on their behalf. In fact, in cases of a litigious or semi-litigious nature or in contestations between the administrative authorities and private citizens, which are excluded from the scope of this study, 'hearings' are often given by persons who are directly authorised to take decisions on behalf of Government. Even in other cases, it is often the practice to call for information and to hear the views of various non-Government authorities, *e.g.*, local bodies or non-official organisations, before important decisions are taken. The 'hearing' procedure is, however, typified not by such instances, but by instances in which certain specific subjects are remitted to committees or commissions for hearing and investigation.

There are numerous instances of such committees or commissions, the more important instances in the recent administrative experience of India being (i) the Commission to report on the re-organisation of the States, and (ii) the Commission to report on the question of the official language in India. A third commission, which is also of great importance, and which is functioning at present, is the Pay Commission, which has been asked, generally speaking, to report on the pay structure of the Civil Services. There have been other committees also dealing with important aspects of public administration. One such, for instance, was a committee on foodgrains; another a study team on the community development projects. It is interesting to note, in this connection, that the Constitution of India provides for the appointment of a Finance Commission every five years "or at such earlier time as the President considers necessary". Article 280 of the Constitution prescribes the duties of the Commission as follows :

"It shall be the duty of the Commission to make recommendations to the President as to—

- (a) the distribution between the Union and the States of the net proceeds of taxes which are to be, or may be divided

- between them under this Chapter and the allocation between the States of the respective shares of such proceeds;
- (b) the principles which should govern the grants-in-aid to the revenues of the States out of the Consolidated Fund of India;
  - (c) the continuance or modification of the terms of any agreement entered into by the Government of India with the Government of any State specified in Part B of the First Schedule under clause 1 of Article 278 or under Article 306; and
  - (d) any other matter referred to the Commission by the President in the interests of sound finance."

### *Composition of 'Hearing' Organs*

The composition of such committees and commissions is of some interest, particularly in contrast with the composition of 'consultative bodies', dealt with in a subsequent section of this essay. The membership of such committees and commissions is not necessarily restricted to experts on the subjects of study, but the emphasis in the matter of selection of members is on the ability of the persons selected to contribute to the study in question. If such persons are not experts, they are, at least, persons, who have experience of the administrative processes relating to the subject under study, or, who are qualified to investigate into the problems, (i) by obtaining information from all possible sources, and (ii) marshalling the data with a view to arriving at the correct conclusions. Another relevant consideration for the selection of personnel for such bodies is the need to inspire public confidence in their sense of justice and impartiality. It is for this reason that persons like eminent judges are appointed to such Committees in spite of the fact that they have had no special acquaintance with the subject under consideration. Such persons need not, however, be representative of any interest either on a functional or on a territorial basis.

### *Methods and Processes*

The subjects for study remitted to such committees are defined by the terms of reference drawn up for them. These terms of reference, forming, as they do, the basic charter for the activities of these bodies, are of considerable importance. In fact, a good deal depends on how precisely these terms are drawn up.

The terms should indicate clearly the limits of the subjects entrusted for scrutiny and investigation. Whatever may be the subject under consideration, there are generally limits within which

freedom of action is possible by Governments. These limits are set by certain basic principles and policies already accepted by Government, which cannot be, or, are not likely to be, altered as a result of the investigations or studies carried out by such bodies. It is necessary that these limitations should be clearly indicated, unless, they are of a nature that they may be assumed to be understood even without any such clear indication. In this respect, such investigations necessarily differ from purely scientific or academic enquiries. For the latter, there are no such basic limitations. For the former, however, limits are set not only by the history and traditions of the people within which Governments have to function, but also by their own past commitments and the state of public opinion.

Once the terms of reference are prescribed, it is the normal practice to give the committees or commissions complete freedom to devise their own procedure. In this procedure, however, hearings naturally and inevitably play a very important part. In fact, the procedure centres round the hearings, and is intended to elicit the maximum amount of information, both on facts and opinions, from them. The procedure adopted by Commissions and Committees of Enquiry, therefore, tend to follow a broad pattern, though the details of such procedure naturally vary to suit the requirements of the subject under study. The first most important objective of a Committee of Enquiry is to frame a questionnaire intended to elicit information on all aspects of the subject under consideration. The formulation of such a questionnaire marks a distinct step forward in the process of the study and investigation of the subject in question. It cannot, however, be framed until a preliminary study of a sufficiently detailed nature is made, which would indicate not only generally the type of information required, but also, in some detail, the precise nature of such information necessary for definite conclusions to be drawn. The questionnaire therefore, cannot be framed until such study has been made and at least, the main issues formulated. Often, therefore, the framing of the questionnaire is not the first step in the process of collection of information. It often follows not only detailed discussions amongst the members of the Committee or Commission, but also a certain amount of consultations with, including hearings of, individuals or organisations outside.

After the questionnaire is framed, the formal process of hearing begins. Such hearings may take either of the two forms mentioned below : in fact, they generally include both :

- (i) There are oral hearings of persons or organisations competent to supply information on the questionnaire framed, and

- (ii) in more important cases, written statements in reply to the questionnaire are called for and obtained.

This is generally supplemented by oral hearings in forms of questions and answers intended to clarify and elucidate the information supplied in the written statements.

A third method to supplement such hearings, oral or written, is for the committees and commissions to hold local inspections and collect information on the spot, in corroboration or otherwise of the facts already obtained. Such local inspections often provide an opportunity for persons, who would otherwise not be heard, to come forward and present, during such local inspections, either facts or opinions on the questions at issue.

The procedure for hearing and collection of information with the help of committees and commissions and not directly by departmental officers has its peculiar value. If the members of such bodies are carefully selected, Government have the services of persons, who, if they are not specialists in the subjects under consideration, are, at least, well-versed in the art of investigation and trained in scientific processes. These are qualities which may or may not be present in all administrators. Apart from this, such enquiries and hearings, made directly on behalf of Government by departmental officers, are subject to two difficulties :

- (i) The departmental officer is, to a considerable extent restricted by the outlook of the Government on the particular subject. Having been trained to function within the framework of Government policy, it is often difficult for an administrator to go beyond such limits, and undertake enquiries, the results of which may be radically different from the past thinking of the Government on the subject.
- (ii) Secondly, even if departmental officers are given complete freedom, and are in fact capable of functioning independently, it often happens that such officers have themselves been, in the past, associated with the formulation or execution of the policies of Government which are under examination. In these circumstances, it is extremely difficult for such officers, to ignore completely their own past views, and not merely those of the Government they serve, and adopt a line more consistent with the present-day requirements of the subject.

It is, therefore, unlikely that complete detachment could be assured if hearings and enquiries were entrusted to purely Government

agencies. What is even important, however, is the fact that such enquiries, undertaken by Committees composed mainly by persons not in the Government or committed to the Government's ways of thinking, inspire greater confidence among the public. This is a matter of importance for, to the extent that a committee can function with the confidence of the people, it is likely that their recommendations would be more acceptable to them. And, in a democratic system of Government, popular acceptance goes a long way in Government's ability to implement such recommendations. Nevertheless, it is found useful in most such committees or commissions to have a proportion of members drawn from the Civil Services. The Civil servant associated with actual administration is more fully aware than others not so associated, of the precise implications of a particular line of action. This knowledge is invaluable in formulating policies, and cannot be adequately provided by official witnesses examined by or on behalf of the committees or commissions.

### **Consultation Procedure**

As indicated earlier, Consultation is a process, which is directed at eliciting opinions with a view to action. Two types of consultative or advisory bodies can be clearly distinguished. One is a body of experts whose advice is sought on technical matters relating to administration. The other covers a wider field and consists of representatives of various interests, territorial or functional, whose opinion is sought not so much on account of their specialised knowledge, as because they represent certain points of view. The distinction between "expert committees" and "representative committees" is not, however, always clear-cut. Often, the composition of consultative bodies reveals both these elements. Some are chosen because of their specialised knowledge or experience, and others because of their representative character.

From the point of view of functions again, consultative bodies may be divided into two categories. There are those that are consulted on broad matters of policies, and there are others concerned with the implementation of policies at the administrative level.

Illustrations of these various types of consultative bodies can be drawn from any modern administrative set-up. In the Indian context, the expert body is illustrated by the Panel of Economists whose advice is sought by the Government of India on the economic policy of the administration generally, and in particular with regard to the framework of the Five-Year Plans. Economists are selected for inclusion in the Panel not because they represent any section of the population or any organised interest, but because of their specialised knowledge in the field of Applied Economics. Another instance of



such a body is a Panel of Scientists consulted by Government with regard to their scientific policy. Such a body is even more detached from sectional and group interests than a body of economists. They are consulted solely for their expert knowledge in their respective fields.

An advisory committee may have a statutory basis. Thus, for instance, the Central Advisory Council of Industries has been set up in India under the Industries (Development and Regulation) Act, 1951. The functions of the Council are defined in the Statute, which is "to advise Government on matters concerning the development and regulation of scheduled industries and any other matter connected with the administration of the Act". Their function, however, still remains advisory or consultative, and it is ultimately for the Government to accept or reject the advice tendered to them. This Act has also set up Development Councils, each dealing with a particular group of industries.

Secondly, there are advisory or consultative bodies whose main object is to elicit representative opinion on the subjects under consideration. The best illustrations of such bodies are drawn from the field of planning and development. Progressive opinion in a democratic society favours a plan which is evolved from below, and not one that is imposed from above. It is not difficult to draw up a blueprint of a comprehensive plan, which would satisfy all the theoretical conditions imposed by economic considerations. A plan of this nature can be drawn up by a body of experts with little contact with the masses for whom the plan is intended. Such a plan, however flawless in its conception, fails to satisfy the desires and aspirations of the people and is, to the extent, foreign to them. In a democratic society, a plan superimposed from above would have little chance of being acceptable to the people for whom it is intended. The tendency, therefore, in democratic planning is to evoke suggestions from the people, and this can only be done with the help of representative bodies of a consultative nature. It is, for instance, for the people to say what type of development they would prefer. Within a given limit of resources, it may be possible either to plan for more schools or for more hospitals or for better means of communications. A plan imposed from above may try to strike a balance between conflicting desiderata and formulate a plan, which purely logically, may be faultless. And yet the people may even illogically prefer schools to hospitals. Such points of view cannot be ignored merely because, on certain theoretical considerations, they are not entirely logical. A plan has to take into account the irrational desires of the people and make room for such desires to the extent possible. It is in this context that consultative

bodies of a representative character assume an importance out of proportion to the theoretical need for such bodies.

A great majority of the consultative bodies are, however, neither purely expert committees, nor purely representative. They consist of both these elements the object being to provide a balance between the specialised requirements of modern administrations and the representative character of democratic Governments.

From the functional point of view, a consultative body on matters of policy is illustrated in India by the Export and Import Advisory Committees. The Committees advise the Government on general policies regarding exports and imports respectively. It is for them to suggest in a given economic context the degree and the nature of control which Government should exercise on the country's exports and imports.

There are, however, other consultative bodies which function within the framework of a general policy and advise on the implementation or administration of such a policy. The Customs Advisory Committees, the National Railway Users' Consultative Council, the Advisory Committees on Telephone Services are illustrations to the point.

### *Relations with Government*

The 'consultative bodies' as their name implies, are advisory in character. This does not, however, give a complete picture of the functions of such bodies or of their role in public administration. The recommendations of a responsible consultative body, whether it is an expert body or a representative one, cannot be treated lightly. The views expressed by such bodies have to be considered by Government, and if their advice is not accepted, Government have to be prepared to justify their non-acceptance not only before the Legislature but before the public in general. In practice, therefore, the views expressed by such consultative bodies have considerable influence on the administrative machinery. Government cannot naturally divest themselves of the final responsibility for administration, which vests in them. To the extent that the advice of consultative bodies are contrary to the basic principles of policy adopted by Government, they have, of course, to be rejected, but in a democratic system of Government, the sanction behind their recommendations is public opinion, in legislatures and outside, which is averse to the advice of such bodies being rejected except for weighty reasons.

*Practical Importance of Consultation*

The practical importance of such consultation, where the consultation is with representative bodies, lies, first, in the various parts of the Government machinery being made more directly responsive to the feelings, the opinions and even the prejudices of the people concerned. In a modern democratic society, and particularly in a large country, this is a matter of very great importance. The control of Government through the popularly elected legislatures, which forms the essence of parliamentary democracy, is not always adequate to interpret popular desires and aspirations with reference to the various aspects of a complex administration. Nor in a country with a large population and a wide area can the wishes of the people be adequately represented by a representative elected once in five years to represent about a million persons. Secondly, and perhaps more important than the first, is the fact that consultation with representative bodies creates a feeling of association between the administration and the interest which are consulted. This is a matter of the utmost importance, for no Government, and much less a democratic government, can function unless there is a general consciousness that the various administrative measures adopted from time to time are not only for the good of the people for whom they are meant, but also in response to their expressed desires and wishes. It is only this feeling of participation in the act of administration that can evoke the enthusiasm among the people which is so necessary for any mass effort to overcome the difficulties which stand in the way of progress.

*Disadvantages*

There are, however, possible disadvantages or dangers to guard against. One such possible danger is that a purely consultative body, without any direct responsibility for administration, may tend to become irresponsible. Not being themselves responsible for the implementation of the suggestions, their suggestions may tend to be impracticable. This is a danger which can be guarded against by devolution of administrative functions on consultative bodies. To the extent such devolution takes place, the bodies, of course, cease to be purely consultative in character. In certain spheres, however, as for instance, in the sphere of local development programmes, such association with the execution of the programmes as well as consultation in framing them may both be desirable and feasible. Even without devolution of such executive functions, a greater sense of responsibility may be developed by careful consideration of the advice of such bodies by the authorities concerned. A consultative body whose advice is given the weight

it deserves cannot disown responsibility for the consequences which follow from its advice.

There is also a danger that consultative bodies charged with the consideration of particular problems in limited spheres, functional or territorial, may take a narrow or parochial view of their problems. Such bodies may also take a view more influenced by local prejudices, than by logical, scientific reasons. These are real dangers, and the extent to which such dangers are in fact avoided is the real measure of the success of the consultative system. It is the duty of the Government or the public authority to correct such errors, not by brushing aside the advice of such bodies, but by more closely associating them with the entire process of administration. There is often considerable advantage in accepting the second best solution of a problem, if the best solution is not in accord with the desires, or even the prejudices of the people. Such acceptance should, however, be with the full knowledge that the solution adopted is the second best and not the best. It should also be accompanied by an effort on the part of the Administration to present the full picture before such consultative bodies which would help them to avoid their errors. A good deal must naturally depend on the understanding and the spirit in which the assistance of consultative bodies is sought by the authorities concerned.

### *Experience of Consultative Procedure in India*

In an earlier section, instances have been drawn from the Indian experience to illustrate the points under discussion. An indication has thus been given already of the various types of consultative bodies which exist in India. A list of such bodies, attached to the Central Government of India, is contained in NOTES at the end of the article. The list is not exhaustive but would give some idea of the type of bodies which function in relation to the Central Government. There is, however, one important omission, to which reference should be made. The appendix does not contain any detail about the consultative bodies attached to the State Governments in India.

The State Governments cover an important field of administration and their functions have been defined in the Constitution. While some of the Ministries and Departments of the Government of India administer specific subjects, a large part of the effort of the Union Government is directed towards co-ordination and guidance

of State administration. In the important field of rural development, for instance, the Central Ministry of Community Development acts mainly in the role of a co-ordinator and adviser. The implementation of the programme is left entirely to the State Governments. In such spheres, the role of consultative bodies is of very great importance. Similarly, Health is a State subject under the Constitution, and so also Education, though there are Central Ministries of Health and Education, which, apart from administering specific institutions, generally advise and co-ordinate the activities of the State Governments. It is, however, the State administration, that is more directly in contact with the people, and the need for consultative bodies in those spheres arises, therefore, more in the States than at the Centre.

The experience of consultative bodies in India has, on the whole, been satisfactory. They have certainly helped to keep the administration attuned to public opinion. On the basis of this experience, recourse is being had, in an increasing measure, to such consultative machinery. In this context, however, the role of such bodies in the sphere of planning and local development has been of great importance. It is, therefore, desirable to devote some space to the experience in this field.

The programme of community development, administered at the Central level by the Ministry of Community Development, is a comprehensive programme of development in the rural areas on almost all possible fronts. It includes programmes of development in the fields of education, sanitation, minor irrigation, methods of cultivation, health, etc. The rural areas are geographically divided in Blocks, and programmes of greater or less intensity taken up in these Blocks. The State Governments are responsible for the administration of the programmes, local assistance being enlisted through consultative bodies, known as Block Advisory Committees. These committees are composed of some official members and some non-officials, with a senior official as Chairman, and the officer-in-charge of Block development as Secretary. The Committees are purely advisory in nature, having no executive functions. They are expected (i) to advise in the planning and execution of the development programmes, and (ii) to help in enlisting popular support and participation.

A Committee\* which recently reviewed the work of the Block Advisory Committees has noted that there is near unanimity among

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\*Formally named "Study Team" of the Committee on Plan Projects.

official members about the usefulness of the Committees in making plans of work for the Block. The Committee has, however, recommended that the Block Advisory Committee as well as the existing local government bodies should be replaced by "a single representative and vigorous democratic institution to take charge of all aspects of development work in rural areas". The Committee adds: "This body can function effectively only if it is the whole authority for all those development programmes which are of exclusive interest for the area. In such matters, the State Government will cease to operate within the area, and in special circumstances when it has to, it has to do so through the agency of this local body". The local body, to be set up in place of the existing Block Advisory Committee should, according to this reviewing Committee "cover the development of agriculture in all its aspects, improvement of cattle, promotion of local industries, public health, welfare work, administration of primary schools and collection and maintenance of statistics".

This recommendation regarding an important field of public administration is highly significant of the Indian experience. While the Committee has appreciated the usefulness of the consultative bodies in this field, it has clearly indicated its view that without devolution of executive authority and functions such bodies in their purely consultative capacities cannot entirely fulfil the expectations on the basis of which they were constituted. While consultative bodies do serve useful purpose, they have failed in this field according to the Committee, to "evoke popular initiative". Such popular initiative, the Committee is confident, will be forthcoming only if a more powerful Committee on the lines suggested earlier takes the place of the existing Committee.

The validity of the Committee's conclusion has yet to be tested in the field of actual experience. It does, however, significantly point to the fact that consultative bodies of a representative nature have a useful but limited role to play. Consultation is wholesome as a source of information so vitally necessary to a democratic administration, but it is no substitute for decentralisation or devolution of authority. There are, however, fields of administration where decentralisation or devolution of authority is neither practicable nor desirable. The fields of financial, commercial and industrial policy administration are instances to the point. In fact, field consultative institutions in their pure form, unburdened with responsibilities of exercise of authority, have a most useful and sometimes indispensable part to play.

## NOTES

## Consultative Bodies in the Government of India

<i>Name of the Committee/ Board/Commission</i>	<i>Functions</i>
<i>Ministry of Commerce and Industry</i>	
Central Advisory Council of Industries	To advise Government on development and regulation of scheduled industries and other matters connected with the administration of the Industries (Development and Regulation) Act.
Development Councils	To suggest targets of production, norms of efficiency, measures for securing fuller utilisation of installed capacity, arrangements for better marketing and distribution and promotion of standardisation of products; undertaking inquiries as to materials, equipment and methods of production including discovery and development of new and alternative materials, equipment and method; scientific and industrial research and training of personnel including re-training of surplus personnel in alternative occupations; standardisation of accounting and costing methods, collection and formulation of statistics, investigation of possibilities of decentralising stages and growth of allied small-scale and cottage industries; advising on labour problems including their service conditions and amenities etc. and collection of information useful to the industry and rendering of advice.
Export Advisory Council	To facilitate discussion of difficulties regarding export of goods, recommend means of expanding the aggregate exports of staple commodities, and other Indian produce and for expansion of sales overseas.
Import Advisory Council	To advise Government on all matters of general policy relating to import control.
All-India Handloom Board	To advise Government generally on the problems of Handloom Industry, examine schemes for improvement and development thereof and recommend assistance from the cess fund created out of the additional excise duty.

Cotton Textile Fund Committee	To supervise the exports of yarn and cotton cloth, development of technical education, research, etc.
Standing Metric Committee	To advise on the form of legislation for establishing metric system of weights and measures, phasing the changes to the new system, etc.
Small-Scale Industries Board	To frame and recommend programmes generally for the development of Small-Scale Industries in India.
Licensing Committee	To investigate all applications for licence, for establishing new industrial undertakings and substantial expansion of an industrial undertaking.
All-India Handicrafts Board	To study and advise on technical, financial and organisational aspects, including sales organisation in India and abroad and formulate all-India plans for development, and assist and co-ordinate the plans of State Governments and also make recommendations for financial assistance to the State Governments.
Tariff Commission, Bombay	To enquire into claims for protection to industry and other allied matters referred to by Government.
Textile Trade Marks Advisory Committee	To advise Registrar of Trade Marks on applications for registration.
Forward Markets Commission	To advise on matters concerning recognition of associations under Forward Contracts (Regulations) Act, 1942, and keep the activities of Forward Markets under observation with a view to apprise Government of developments and make recommendations for control, when necessary; to collect and disseminate information on the working of forward markets; to inspect accounts and other documents of recognised associations, when considered necessary.
Coir Board	To regulate production of husks, coir yarns and coir products and promote export of coir yarn and coir products; to undertake, assist or encourage scientific, technological and economic research and collect and publish statistics of the industry, fix grade



standdards and arrange for inspections; to improve marketing in India and elsewhere prevent unfair competition, and promote co-operative organisation among producers.

#### Central Silk Board

To promote the development of silk industry, including undertaking of scientific, technological and economic research, rendering of technical advice, devising means for improving qualities of raw material, marketing of raw silk and collection of statistics and to advise the Central Government on development of the industry, including import and export of raw silk.

#### *Ministry of Education*

##### Central Advisory Board of Education

To advise on all educational questions, remitted by the Centre or the State Governments, and to call for information and advise on educational developments of special interest or value to India, to examine such information and circulate it with recommendations to the Union or State Governments.

##### Indian Historical Record Commission

To advise regarding the treatment of archives for the purpose of historical study.

##### Inter-State Board for Anglo-Indian Education in India

To ensure uniformity of educational standards and co-ordination of Anglo-Indian education throughout India by making recommendations to State Governments on matters of common interest.

##### National Advisory Council for the Education of the Handicapped

To advise on all problems concerning education, training, employment and provision of social and cultural amenities for the blind, the deaf, the mentally and orthopaedically handicapped, to formulate new schemes and to serve as a liaison between the Central Government and other voluntary social organisations.

#### *Ministry of External Affairs*

##### Central Haj Committee

To advise Government on matters connected with Haj.

*Ministry of Food and Agriculture (Department of Agriculture)*

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| Standing Expert Committee on Seeds                       | To review annually steps taken in every State for evaluation, implication and distribution of improved strain of seeds of main food crops and to recommend ways and means for covering greater area under improved seeds.   |
| Standing Committee of Experts on Manures and Fertilizers | To advise on the steps for increasing consumption of existing desirable types of manures and fertilizers; to take stock of the results of manurial research in India and abroad; to make suggestions for improved use of manures in different States and to review the progress in production and consumption of manures and fertilizers and to recommend measures for the achievement of its objectives. |
| Central Fruit Products Advisory Committee                | To advise on matters pertaining to fruit preservation industry.   |
| Advisory Committee for Central College of Agriculture    | To advise on questions of policy, aims, working, curriculum, creation of posts, and matters relating to fees, scholarships etc. of the College.   |
| Central Advisory Board on Forest Utilization             | To advise on assignment of priority to items of research conducted at the Forest Research Institute; to co-ordinate with industry, agriculture and public and liaise with producer, consumer and research.  |

*Ministry of Health*

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| Drugs Technical Advisory Board       | To advise the Central and State Governments on technical matters arising out of the administration of the Drugs Act, 1940, and rules made thereunder.   |
| Drugs Consultative Committee         | To advise the Central and State Governments and the Drugs Technical Advisory Board for securing uniformity in the administration of the Drugs Act and the rules thereunder.                                 |
| Central Committee for Food Standards | To advise the Central and State Governments on matters arising out of the administration of the Prevention of Food Adulteration Act, 1954, and carry out the other functions assigned to it under this Act. |

*Ministry of Labour and Employment*

Mining Boards	To advise Government on any matters referred to them under the Mines Act, 1952, or Regulations and rules framed thereunder.
Coal Mines Labour Welfare Fund Advisory Committee	To advise Government on matters on which the Central Government or the Housing Board is required to consult the Committee under the Coal Mines Labour Welfare Fund Act, 1947, and on other matters arising out of the administration of the Act which the Central Government may refer to it.
Mica Mines Labour Welfare Fund Advisory Committee for the States of Bihar, Andhra and Rajasthan	To advise Government on any matter arising out of the administration of the Mica Mines Labour Welfare Fund Act, 1946, and the rules made thereunder.
Indian Labour Conference	To advise Government on any matters referred to it taking into account suggestions made by the State Governments and representative organisations of employers and employees.
Dock Workers Advisory Committee	To advise Government on such matters arising out of the administration of the Dock Workers (Regulation of Employment) Act, 1948, or any scheme made thereunder as the Government may refer to it.
Advisory Committee for Central Undertakings	To advise Government on revision of minimum rates of wages fixed under the Minimum Wages Act, 1948, for the workers in the Central sphere Undertakings.
National Employment Council	To advise Central Government on matters relating to employment, creation of employment opportunities including consideration of employment potential of the Second and subsequent Five Year Plans and the development of the National Employment Service.

*Ministry of Rehabilitation*

Advisory Board, under Displaced Persons (Compensation and Rehabilitation) Act, 1954	To advise Government on matters of policy arising out of the administration of the Displaced Persons (Compensation and Rehabilitation) Act, 1954.
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*Ministry of Scientific Research and Cultural Affairs*

Central Advisory Board of Archaeology.	To advise on all matters relating to Archaeology in India.
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Central Advisory Board of Museums	To advise on all matters pertaining to Museums in India.
All-India Council for Technical Education	To survey the whole field of technical education in consultation with State Governments, examine and advise on such projects as are already under consideration by various Ministries of Government of India and conduct preliminary investigations with a view to ascertaining the conditions on which the authorities in control of existing technical institutes would be prepared to co-operate in all-India scheme.

All-India Boards of Technical Studies	To frame syllabi and regulations governing grant of certificates and diplomas in different States, make recommendations regarding appointment of inspectors and visitors, external examiners and assessors and suggest conditions for recognition of technical institutions.
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*Ministry of Transport and Communications (Department of Transport)*

Tourist Development Council	To recommend measures necessary for the promotion of tourist traffic within and from outside India.
National Welfare Board for Seafarers	To advise on all matters relating to the welfare of seafarers and organise particular activities or amenities for their benefit.
Consultative Committee of Indian Shipowners	To advise Government on matters of general policy relating to Indian Shipping.
Consultative Committee for Shipping Interests in Overseas Trade	To provide a forum for the discussion of shipping problems connected with the overseas trade, between the representatives of shipping interests concerned and those of Government.
National Harbour Board	To advise on matters of general policy relating to port management and development so as to ensure integrated consideration of all important port matters.
Central Advisory Committee for Lighthouses	To advise on erection, removal or improvement of lighthouses and make rules or rates of dues under the Indian Lighthouses Act, 1947,

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| Cochin Port Advisory Committee            | To consider matters affecting the relationship between the Harbour Administration and the public, the leasing of land for business and industrial purposes.   |
| Kandla Port Advisory Committee            | To advise Government and guide the Development Commissioner, Kandla, on the various development plans so as to ensure ordered and expeditious progress according to an approved scheme of priorities. |
| Vizagapatam Port Local Advisory Committee | To observe and examine problems connected with the traffic at the port and suggest remedial measures.   |

*Ministry of Works, Housing and Supply*

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| Purchase Advisory Council  | To advise Government on general policy and procedural matters relating to the Central Purchase Organisation as well as on development of industries through Government purchases and also in formulating the policy and procedure for disposal of Government surplus stores. |
| Landscape Committee  | To advise Government on problems connected with the Landscape of New Delhi and Suburbs.  |
| Advisory Committee on the decoration of important Central Government Buildings | To advise generally on selection of specific works of arts which May be carried out in the various important Central Government Buildings and recommend artists, who may be entrusted with the execution of these works.   |

*Ministry of Information and Broadcasting*

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| Hindi Advisory Committee             | To advise Government on all problems relating to the use of Hindi by its different media units.  |
| Central Programme Advisory Committee | To advise the All India Radio on the general policy and the composition of programmes broadcast in the home service.   |
| Central Advisory Board for Music     | To advise on music policy of the All India Radio in general and on the music programme in the home and external services of the All India Radio in particular. |
| Programme Advisory Committees        | To advise on matters relating to programmes of the stations,   |

Consultative Panel for Educational Broadcasts	To advise the Radio Stations on educational broadcasts.
Rural Advisory Committees	To advise on rural broadcasts at various stations.
Scientific Advisory Committee	To advise on the programme of engineering research for All India Radio.
All India Radio Liaison Committee	To advise ways and means to bring down prices of radio sets and to standardise sales practices all over the country.
The Film Advisory Board	To approve for exhibition scientific, educational, news and documentary films.

*Planning Commission*

National Advisory Committee on Public Co-operation	To advise and guide Government in regard to measures to secure public co-operation and participation in all fields of national development throughout the country.
Technical Advisory Committee on Irrigation & Power Projects	To examine Central and State Government projects with particular reference to their technical and financial soundness.
Panel of Economists Panel of Education Health Panel Labour Panel Panel on Housing and Regional Planning Panel of Land Reforms Panel of Scientists	To secure the association of officials and non-officials who have special knowledge and experience in their respective fields.

# THE MANAGEMENT OF PUBLIC ENTERPRISES—\*

## A Study of Some Aspects in the Context of the 'Socialistic Pattern'

*Iqbal Narain*

India has been slowly but steadily moving ahead on the road to "Socialistic pattern" which means more and more of public enterprises.<sup>1</sup> In the year of freedom a resolution adopted by the A.I.C.C. on the 17th November emphasized that "our aim should be to evolve... an economic structure which will yield maximum production without the creation of private monopolies and concentration of wealth... Such a social structure can provide an alternative to the acquisitive economy of private capitalism and the regimentation of a totalitarian state."<sup>2</sup> Again, in 1948 the Congress advocated a drift towards the public sector in the following terms :

1. "New undertakings in defence, key and public utility industries should be started under public ownership. New undertakings which are in the nature of monopolies or in view of their scale of operations serve the country as a whole or cover more than one province should be run on the basis of public ownership".....
2. "In respect of existing undertakings, the process of transfer from private to public ownership should commence after a period of five years".
3. "To secure efficient development and conduct of public-owned industries, suitable administrative agencies should be set up..."<sup>3</sup>

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\*Text of an essay which won one of the two second prizes in the IIPA Essay Prize Competition, 1957. No first prize was awarded. The other second-prize-winning essay (by Shri N. K. Bhojwani on 'The Problem of Administrative Tribunals') was published in Vol. IV, No. 2, issue for April-June 1958.

The words 'public enterprises' in the title have been deliberately preferred because they include both 'state enterprises' (enterprises originally started by the state) and 'nationalised enterprises' (enterprises taken over by the state from the private sector).

1. It may be pointed out that public enterprises do not result only from socialistic motives. They may be inspired by non-socialistic considerations as well. Important among these considerations are (a) fiscal, such as raising of general revenues; (b) security, such as minting of currency, conduct of defence industries, etc.; (c) development, such as hydro-electric projects of an under-developed country which are too big for a private enterprise; (d) social, such as New Deal Policy of F.D. Roosevelt, National Extension Schemes and Community Projects, which aim at social amelioration and reconstruction; and (e) political, such as the desire to secure a release of national economy from foreign domination, e.g., the nationalisation of Suez Canal. In England, such non-socialistic motives as centralisation, modernization and the like have served as factors helping nationalisation (G.V.S. Rama Sastri, "Managerial Implications of Nationalization in India and Great Britain," *India Quarterly*, Vol. XI, No.1, pp. 55-63.)

2. *Report of the Economic Programme Committee*, All India Congress Committee, 1948, p. 8.

3. *Recommendations of the Economic Programme Committee*, as approved by the A.I.C.C., Bombay, 1948. [*Resolutions on Economic Policy and Programmes*, 1924-54, New Delhi, A.I.C.C., 1954, pp.32-33.]

In April 1948, a clear statement of industrial policy was laid before the 'Dominion Assembly' which indicated India's bent towards the socialistic pattern and which committed her to a number of public enterprises :

"The Central Government decided that the manufacture of arms and ammunition, the production and control of atomic energy and the ownership and management of railway transport should be its exclusive monopoly. Further, in any emergency, the Government would always have power to take over any industry vital for national defence. In the case of the following industries the state.....would be exclusively responsible for the establishment of new undertakings : (1) coal....(2) iron and steel, (3) aircraft manufacture, (4) ship building, (5) manufacture of telephone, telegraph and wireless apparatus, excluding radio receiving sets, (6) mineral oils.

While the inherent right of the state to acquire any existing industrial undertaking will always remain, and will be exercised whenever the public interest requires it, Government have decided to let existing undertakings, in these fields develop for a period of ten years, during which they will be allowed all facilities for efficient working and reasonable expansion."<sup>4</sup>

The statement accepted 'mixed economy' as a suitable basis for the industrial development of the country, though it equally emphasized the state regulation of the private sector of industry as of basic importance to planned development.

This policy was accorded legal sanction by the Industries (Development and Regulation) Act in 1951. "The industrial policy of the Government of India pronounced last year had been endorsed by the House", observed Dr. Mukherjee, the Minister for Industries, on April 6, 1949, "and the Bill was only seeking to implement that policy by giving certain powers to Government which would make it possible to discharge their obligations."<sup>5</sup> The policy was also endorsed by the Planning Commission in its final report.

New strides in the direction of the socialistic pattern followed soon after. At the Ajmer session of the A.I.C.C. it was laid down that "the objective of the Congress is the establishment of a co-operative commonwealth and a welfare state."<sup>6</sup> At the same session it was also emphasized that "the country already has a powerful state-owned public sector in industry. This should be enlarged by the addition

4. *Ibid.*, p. 5.

5. *The Hindustan Times*, April 7, 1949.

6. *Congress Bulletin*, No. 5, June-July, 1954, p. 213.



of other basic and new industries, wherever possible.”<sup>7</sup> And at long last India committed herself to the socialistic pattern, when Sri Nehru moved and carried the following resolution at Avadi session :

“In order to realise the object of the All-India National Congress, namely, the well-being and advancement of the people of India and the establishment in India, by peaceful and the legitimate means, of a co-operative commonwealth, based on equality of opportunity and of political, economic and social rights and aiming at world peace and fellowship and to further the objectives stated in the Preamble and Directive Principles of State Policy of the Constitution of India, planning should take place with a view to the establishment of a socialistic pattern of society, where (a) the principal means of production are under social ownership or control.”<sup>8</sup>

The Resolution not only committed India to the growth of the public sector but also advocated state regulation of the private sector which was to play a constructive role within the pattern of the plan. For the Avadi Resolution on economic policy stressed that the state will

- “...(ii) have overall control of resources, social purposes and trends and essential balances in economy;
- (iii) check and prevent evils of anarchic industrial development by the maintenance of strategic controls, prevention of private trusts and cartels, maintenance of standards of labour and production;”<sup>9</sup>

The basic idea of the Avadi Resolution has been well incorporated into the Second Five Year Plan which refers to it in these words :

“These values or basic objectives have recently been summed up in the phrase ‘socialist pattern of society’. Essentially, this means that the basic criterion for determining the lines of advance is not private profit but social gain. . . . The problem is to create a *milieu* in which the small man who has so far had little opportunity of perceiving and participating in the immense possibilities of growth through organized effort is enabled to put

7. *Ibid.*, p. 216.

8. “*The Socialistic Pattern*” in terms of the Congress Resolutions, Indian National Congress, 1956, p. 1.

9. *Ibid.*, p. 36.

Also see Sri Nehru’s concluding speech on the Resolution pertaining to the ‘Socialistic Pattern of Society’ in the Subjects Committee’s meeting at Avadi : “We are laying stress on what we are doing and the fact that the economy is going to be, I hope, more and more based on the growth of public sector, where private sector has an important part to play. The point is this that we are tolerating something that we want to push out of the plan”. (*Congress Bulletin*, No. 3, April 1955, p. 245.)

in his best in the interests of higher standard of life for himself and increased prosperity for the country.....

For creating these conditions, the state has to take on heavy responsibilities as the principal agency speaking for and acting on behalf of the community as a whole. The public sector has to expand rapidly....."<sup>10</sup>

Thus India has been set on the road to more and more public enterprises.

## II

Though the new approach of public ownership is "argued in terms of public accountability, of planning against unemployment, of more opportunities for promotion by ability, of the extension of industrial democracy, and of general desirability of replacing motive of private profit by those of 'responsibility' and serve to the community,"<sup>11</sup> the public enterprises would not ring in the millennium by themselves, unless they are properly managed. The management of public enterprises is the key to their successful operation much in the same way as the proper control of the rudder is necessary to guide a ship in a definite direction. It is a difficult task and involves many risks. This is so because of several reasons. Firstly, the profit motive which accounts for keen supervision and control and good management in private industries is lacking in public enterprises. Secondly, the managers of the public enterprises in their enthusiasm to work as model employers might display utter disregard for the economic implications of the terms they offer; this would develop a tendency to be less resistant to the demands of the labour and thus inflate the wage, cost and price structure. Thirdly, public enterprises admit of no stimulus of competition and thus a complacency as to the quality of goods might develop. Fourthly, there is also the danger of excessive bureaucratic centralism, inflexibility, delay and insensitivity to consumer interests or the well-being and legitimate demands of labour under the impulse of uniformity, and strict adherence to rules and regulations. Lastly, there is a particular difficulty that India has to face like other under-developed countries and it is that the state has to start on a clean slate, having little by way of business skill and experience of a developed private enterprise to draw upon.<sup>12</sup> For all these reasons the problem of management is of basic importance in regard to the conduct of public enterprises.

10. *Second Five Year Plan*, Planning Commission, 1956, p. 22.

11. R. Jenkins, *Pursuit of Progress*, London, William Heinmann, 1952, pp. 97-98.

12. Cf. G.V.S. Rama Sastri's statement: "Nationalisation involves problems if it comes at a stage when the industry can be operated with a functional board and with little need for frequent changes in major policies. This envisages that the industry to be

## III

A discussion of the problem of the management of public enterprises should begin with certain *a priori* considerations. In what does the goodness of the management of a public enterprise consist in the specific context of a socialistic pattern ? The problem of good management here is not a problem of mere efficiency or maximum profits. The socialistic ideal aims at the elimination of class conflicts and securing for everybody his due. In its perfect form it should admit of no exploitation by the producers of the consumers and the labourers. In fact this is the paramount justification for a public enterprise. Due stress should, therefore, be laid on the satisfaction of consumers and the good of the labourers in determining the proper contours of management. Further, socialism also emphasizes democratic conditioning of affairs which means maximum of popular control and public accountability. Thus good management of public enterprise, according to the socialistic ideal, should consist in popular control of policy on the planning side, responsibility and accountability on the managerial side, and autonomy, efficiency, economy and above all consumer's satisfaction and labourers' well-being on the operational side.<sup>13</sup> The ideal is the end and one has to approach the problem of management with a view to fulfilling this end. Of course, all the aspects of the problem cannot be dealt with here. A modest attempt has, however, been

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nationalized must have reached a high standard of operating efficiency so that it is not liable to a recession in standards even after change has occurred in its ownership..... In Great Britain nationalization does not merely imply a change in ownership. It is more or less an advance in the spiral of industrial organization. Right from the days of the Industrial Revolution down to the present day, the industries have been making constant progress; and the industrial traditions which are typical of advanced countries like Japan and Germany, enable them to know what pattern of industry they should have and how much of each industry they should develop. This legacy of 'revolutionary knowledge' is completely absent in backward countries like India and China." *India Quarterly*, *op. cit.*, pp. 55-56.

13. The ideal has been visualized in different ways : According to Herbert Morrison, "We are seeking a combination of public ownership, public accountability and business management for public ends."

According to Gorwala, "forms of organization which retain the flexibility and effectiveness of the best private enterprise within the broad framework of parliamentary and ministerial responsibility." (*Report on the Efficient Conduct of State Enterprises*, New Delhi, Planning Commission, 1951. p. 11).

According to the Planning Commission, the aim should be to secure in public enterprises the flexibility in operation which characterises private enterprise together with greater technical efficiency and responsiveness to public need." (*First Five Year Plan*, p. 89.)

In the words of Suresh Prasad Niyogi : "The success of public enterprises means the economic and efficient attainments of the targets set and the standards expected. This implies that the products must be according to pre-determined quality ; it must also be produced within the specified time. It has also to satisfy the consumers, the tax payers, the Government and Parliament. In short, the main problem of management of public enterprises is the problem of ensuring economy in management and quality of products." ("Management and Finance of Public Enterprises", *Indian Economic Association Papers*, Conference Number, December, 1954, p. 274.).

made to deal with four questions in this regard : (a) 'What form of management would be more suited to the foregoing ideal ? (b) Should there be a centralised or decentralised pattern ? (c) How should the consumers be associated and their interest best represented ? and (d) How should labour be given its due ?

#### IV

Let us begin with the question : What form of management would best suit the interests of a public enterprise ? This takes us to a discussion of the more important and popular forms of management :

##### (1) *The Departmental Pattern :*

Enterprises under this system are owned and managed as government departments in the form of a separate unit under a Board of Control or as part of a bigger congregation.<sup>14</sup> The outstanding feature of this system is full governmental control and responsibility. The policy and finance of the state enterprises are subject to sanction and control of the people's representatives sitting in the legislature. They are subject to accounting and audit controls applicable to other government departments. They are in charge of civil service men. Under this pattern thus "the government department is a strictly hierarchical institution at whose head is a minister answerable to Cabinet and to Parliament for its activities. The administration of the department is naturally largely in the hands of its senior civil servants and financial control rests with the Treasury."<sup>15</sup>

The system is already in vogue in India. Railways, post and telegraphs, defence industries, state trading in food, the Hirakud and Bhakra-Nangal multi-purpose projects, Chittaranjan Locomotive Works, D.D.T. Factory, Penicillin Factory, Government salt works, etc., are thus managed.

The departmental pattern on the whole stands discredited today. Firstly, it is contended that by its very constitution, it is likely to be inefficient. Owing to Government's full responsibility for such enterprises, there is strict parliamentary control and searching criticism on the floor of the legislature. As observed by Herbert Morrison,

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14. For example, railways are managed as a separate unit with a separate railway budget and a separate Railway Board ; the Posts and Telegraphs Department is not a separate unit but an attached office of the Ministry of Transport and Communications (Department of Communications). The former form is preferable.

15. Hugh Clegg, *Industrial Democracy and Nationalization*, Oxford, Basil Blackwell, 1951, pp. 37-38.

"undue interference by the Minister would tend to impair the board's commercial freedom of action."<sup>16</sup> Secondly, the pattern would convert industrial democracy into a stronghold of bureaucracy. And bureaucracy is incapable of handling industrial enterprises by temper, training and experience. It is characterized by red-tapism, jobbery, corruption and too much influence of political bosses. The bureaucratic set-up is rather too rigid and this militates against the flexibility which is of basic importance for the conduct of a business concern.\* Long procedures and consequently long delays stand in the way of swift action which is no where so important as in a business concern. The bureaucrats' over-emphasis on caution, conservative temper, and 'through the channel mentality' do not leave even elbow room for refreshingly bold approaches, adventure and risk. Again, the civil servant as a rule ignores with contempt the needs and aspirations of the people. It is no wonder if the Seminar on the Organization and Administration of Public Enterprises in the Industrial Field held in Rangoon under the auspices of ECAFE found the departmental pattern replete with "red tape, inadequate service and insensitivity to consumer's good."<sup>17</sup> Thirdly, departmentally managed industries are also exposed to the danger of reckless adventure to which a party in power may resort, particularly when its position is at stake. Power in the industrial sphere may be used as a bait to win political battles. Fourthly, it is also feared that rhythmic vicissitude of political life might affect the continuity of interest and disturb the effective handling of the industrial enterprise which should, therefore, be kept at a respectable distance from the whirlwinds and storms of active politics as far as possible. It was for this reason that Barbara Wooton lamented, "if the existence of political parties does mean the right to change our mind about every thing every six months, then I am afraid it is incompatible with long-term planning."<sup>18</sup>

All in all thus the case against the departmental pattern is very strong; yet it can be profitably employed in certain specific cases. For

16. *Parliamentary Debates*, House of Commons, December 4, 1947, Vol. 445, columns 566, quoted by William A. Robson, *Problems of Nationalised Industry*, George Allen and Unwin, London, 1952, pp. 25-26. Cf. Mr. Attlee's statement as Post Master General in the Labour Government of 1929 that parliamentary interpellations lead to timidity in organisation.

17. Compare with this statement J.H.De. Nike's observation "One year upon a bureaucratic stage, the target of cat calls and cat-carasses would make most people into moderate and constructive critics of government". ("Notes on a Neophyte Bureaucrat," *Harvard Business Review*, Summer 1944p. 413). It is worth while mentioning here that an attempt has been made in Burma to remove these defects by establishing a governing Board or Committee for every state-owned factory under the control of the respective department. This Board enjoys a certain measure of freedom, though its important decisions still need the confirmation of the departmental head. The Burma pattern is only a slightly improved form of the system in so far as it is flexible and admits of quick decision and action to a limited extent.

18. *The Indian Journal of Political Science*, Vol. XV, No. 4, p. 335.

example, concerns where secrecy is a virtue or which are basic to security, peace and order have to be organised on the departmental pattern, e.g., defence industries, post and telegraphs, and so on. Similarly, the management of such industrial concerns as involve abundance of governmental discretion should be conducted on the departmental pattern. State trading in food stuffs is an illustration in point. Again, industrial projects, which are just in their infancy—more in their embryonic stage of planning than of ripe execution to admit of autonomous management—may be departmentally operated in the interest of healthy up-bringing and planned growth. River valley projects may be cited as an example. The departmental pattern should, however, not be adopted indiscriminately<sup>19</sup> and generally. It is well for the Government of India to follow A.D. Gorwala's advice that departmental management should just be rare rather than the general rule, and the cases where it is inevitable must be defined, isolated and kept down to the minimum.<sup>20</sup>

## (2) *The Operating-Contract System :*

This system involves state ownership and private operation or management with the willing acquiescence of the state itself. Under this system the state enters into a contract with an established private company for the erection of the plant, provision of technical advice and/or the operation of a public enterprise, itself agreeing to reimburse the contractor for the costs. Such arrangements are usually of a temporary nature and are generally hedged in with certain conditions, such as participation in the risk capital, terms terminable after a definite period, reasonably fixed terms for training of personnel and rewards for management and so on, so that the state may be left free to assume its charge finally, when it feels it has equipped itself for the job. A justifiable occasion for the adoption of this system arises only when there is shortage of technical and business skill and experience at the disposal of the state to manage it by itself. And this explains why it is at times resorted to by under-developed countries.<sup>21</sup>

India too adopted this system in certain cases, e.g., the Hindustan Housing Factory (from April 1953 to August 1955),

19. The application of the departmental pattern by the Government of India to Chittaranjan Locomotive Works, Integral Coach Factory, Travancore Rubber Works and the like cannot be justified on the basis of these considerations and hence is indiscriminate.

20. A.D. Gorwala *Op. cit.*, p. 15.

21. Strangely enough this system is very popular with the Defence Department of the U.S.A; perhaps the capitalistic foundations of the American economy account for this.

the Hindustan Steel Company at Rourkela, the Eastern Shipping Corporation and the Hindustan Shipyard Ltd.

Though the system makes available skilled and experienced hands, yet it is at best a transitional arrangement of limited use. Battles are not fought and won with the help of mercenary soldiers. The managers under the system have little personal interest which might serve as an economic incentive to ensure that the contractors would operate the enterprise with maximum efficiency and economy. Again, if this pattern is adopted permanently or generally, it would defeat the very purpose of a state enterprise which is state management and would mean a confession on the part of the state of its inability to cope with the burden of state enterprise.

### (iii) *The Co-operative Type :*

This system is a half-way house arrangement between capitalism and state socialism.<sup>22</sup> It postulates co-operation between private sector and public sector both in ownership and management. As regards ownership, usually a majority of shares are owned by the Government and the balance is left to be subscribed by the private sector. As far as the management is concerned, it is usually in the hands of the private sector under the strict and direct control of the government. The Government can reserve to itself the right to appoint the managing director, approve policies, etc. As the dominating share-holder, it can insist upon securing first hand knowledge of the way industry is conducted, of its plans for development and of its financial policies, suggesting improvements, stimulating new industries, and so on.

This system too has been adopted in India, though sparingly ; for example, in the Indian Telephone Industries Ltd., there exists, a partnership between the Government of India, Mysore Government and the Automatic Telephone and Electric Co. Ltd. was entered into in 1950. Again, there was, from April 1953 till August 1955, a partnership between the Government of India and an Indo-Swedish Firm in the Hindustan Housing Factory Ltd., on the basis of 50% shares each; in the Hindustan Machine Tools Ltd., 85% and 15% shares were held respectively by the Government and M/s Oerlikons, till the Central Government took over the entire subscribed share capital. Similarly, the Government of India and the Scindias combined in 1952 with 66  $\frac{2}{3}$ % and 33  $\frac{1}{3}$ % shares respectively in the Hindustan Shipyard Ltd., and with 74% and 26% shares in Eastern Shipping Corporation, in 1950.

22. The system is popular in Europe and more particularly in France. It is discarded in England.

The system has the advantage of easing the capital difficulties of the state. It also secures state control without exclusive state socialism. "The fact that the government-nominated chairman has to render an account both to the Government, which is the principal shareholder, and to the ordinary share-holders often compels him to be commercially honest and reasonably efficient in the administration of the enterprise over which he presides."<sup>23</sup> Further, the system while emphasizing the role of the public sector, also establishes links and co-operation with the private sector. Besides, the enterprise is managed on commercial lines. It is operated, financed and audited as a private limited company. And thus the system enjoys greater initiative, flexibility and singleness of action.

Yet the system only seeks the union of the irreconcilables. The private and public interests are competitive in essence and it is basically wrong to blend them together and expect whole-hearted co-operation and harmonious working. Again, the enterprises thus managed "become absolutely impervious to public control and public criticism and were as if kingdoms within kingdoms."<sup>24</sup> Moreover, "such industrial undertakings whittle away parliamentary control over public money."<sup>25</sup> It is no wonder thus if the ECAFE seminar looked upon this system as one presenting "vague and extremely difficult forms of organization and control."

#### (4) *Autonomous Management Pattern :*

Under this system a separate agency is created by a specific or under a general law of Parliament to conduct a public enterprise in its own name more or less on the lines of a business enterprise. They are autonomous institutions for all practical purposes. They manage their own accounts and are financed either from government loans or grants or they can also raise loans from public. Again, they are free to use and re-use their revenue. They are, however, expected to follow the directions of the Ministers concerned on a few specified matters and to be under the general supervision of Parliament of the country, so that they might not lose sight of the social purpose associated with a public enterprise. For example, the Ministers usually enjoy powers to appoint the members to the governing board and Parliament may scrutinize the report on the working of autonomous bodies. Autonomous management may assume either the form of a public corporation or a state-owned joint stock company.

23. "Management of Public Enterprises," leading editorial, *Commerce*, Vol. LXXXIX, No. 2264, July 1954, p. 50.

24. These words were used by Dr. Lanka Sundaram in the Debate on Public Corporation in the Parliament on 10th and 11th December, 1953.

25. P.K. Wattal, *Parliamentary Financial Control in India*, p. 164.



A public corporation is a corporate body which can sue and be sued, created under a specific act of Parliament with specific statutory powers and obligations and usually subject to taxation in the normal way. Certain characteristics distinguish a corporation. Firstly, the corporation owes its existence to a special act of Parliament and hence is rigid in structure. Amendments can be introduced into its constitution by amending the specific law. It does not mean that it is not subject to the ordinary civil or criminal laws of the land.<sup>26</sup> Secondly, a corporation has to stick to the end and purpose prescribed by the specific law that gave birth to it.<sup>27</sup> Thirdly, its personnel do not form part of the civil service. Fourthly, it has a self-contained finance, separate from the national budget, though it is still subject to a certain amount of Treasury control. Lastly, the corporation in a way admits of double government. A distinction is made between determination of policy and general management, the former being subject to ministerial and treasury control, while the latter is under the corporation.<sup>28</sup> "The Public Corporation is essential when the undertaking is discharging what is in effect an extension of the functions of the Government, e.g., irrigation and hydro-electric projects, dissemination of information as in broadcasting or any form of transport."<sup>29</sup> Two significant examples of this form in India are: the earliest, Damodar Valley Corporation set up in 1949, and the latest, the Life Insurance Corporation established in 1956. As far as the state-owned joint stock companies are concerned, they do not need a special act for their creation. By registration under the Companies Act, a state owned-joint stock company is born as a separate legal person. Its formation thus is easy. Normal state is the exclusive share-holder. Joint ownership is also permissible. Enterprises which are purely of a commercial character are

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26. The legal status of the corporation was well clarified in 1950 by the Court of Appeal in England in the *Tamlin V. Hannaford* case as follows :

"In the eye of the law the corporation is its own master and is answerable as fully as any other person or corporation. It is not the crown and has none of the immunities or privileges of the crown. Its servants are not civil servants and its property is not crown property. It is as much bound by Acts of Parliament as any other subject of the king. It is, of course, a public authority, and its purposes no doubt are public purposes. But it is not a Government department, nor do its powers fall within the province of government." (Quoted by W.A. Robson, *op. cit.*, pp. 40-41.)

27. Robson has called this feature 'disinterestedness' indicating thereby that a corporation is not interested in any other objective than the one allotted to it under the Act. It is, however, not a very happy epithet. (*Ibid*, p. 28).

28. Robson has very well summarised these features in his observation: "Corporation of the modern type is a constitutional innovation. It reveals a tendency to enlarge the unit of administration to a national or regional scale; to divorce the administration of industrial or public utility functions or the conduct of certain social services of an economic character from the ordinary activities of the government; to separate the finances of these boards from the national budget; to eliminate the profit making incentive and to substitute the public service motive." (*Ibid*, p. 32.)

29. A.D. Gorwala, *op. cit.*, p. 18.

preferred for this model. We have many examples of this pattern in India, and the Sindri Fertilizers and Chemicals Ltd., is the most well-known among them.

Many advantages are claimed for the autonomous form of management. Firstly, this pattern makes the management of public enterprises possible on the lines of a private enterprise which is the key to their successful operation. Secondly, the system provides for a healthy combination of autonomy with accountability.<sup>30</sup> Autonomy is the vital principle.<sup>31</sup> There are no vexations of bureaucracy, no parliamentary pin pricks, no harassing forms of financial control. Autonomy makes the system flexible. Economic life is essentially dynamic; it is full of changes which are both vital and rapid. The success of a commercial enterprise depends on quickly responding and adapting itself to this cycle of changes. This is possible only when the form of industrial organisation is devoid of red-tapism with its characteristic slowness of decision and action, or conversely speaking, it is autonomous enough to afford flexibility and easy adjustment. And this is what the autonomous pattern exactly aims at.<sup>32</sup> Again, accountability and control is equally important. "Out of the adequate considerations to national interest and the needs of national planning, we must have some means of public accountability and control—control is a continuous process of checking or encouraging...to be effective, it requires more information and a greater intimacy with the organisation concerned than is essential for accountability."<sup>33</sup> Further, as held by the General Council of the T.U.C. in their Interim Report on Post-War Reconstruction, it is also necessary "to provide for the ultimate responsibility of the managements of socialized industries to a Minister in order to ensure the proper co-ordination of their policies and that the industries are conducted in full accordance with the Government's general plans of the maintenance of employment, the control and location of industry and the furtherance of socially desirable

30. Writers have vexed eloquent on the importance of autonomy. For example, Dr. Herbert Morrison observed in the House of Commons in 1947: "A large degree of independence for the boards in matters of current administration is vital to their efficiency as commercial undertakings.....It would be contrary to this principle and to the clearly expressed intentions of Parliament in the governing legislations, if ministers were to give, in replies in Parliament or in letters, information about day-to-day matters. *Parliamentary Debates*, House of Commons, March 4, 1947, Vol. 445, column 566, quoted by Robson, *op. cit.*, pp. 25-26.

31. Similarly Robson holds: "If once the parliamentary questions were given free play over the whole field of activity of a nationalised industry, half the advantage of having a public corporation rather than a Government department would be lost." (Robson, *op. cit.*, p. 314).

32. Cf. Roosevelt's statement: "They are clothed with the powers of the government but possessed of the flexibility and initiative of private enterprise."

33. Hugh Clegg, *op. cit.*, p. 41.

expansion of production.”<sup>34</sup> The autonomous form of management provides for all this. The Minister’s hand in the appointment of the Board of Directors, their shares, both through the Board and direct, in the formulation of policy, submission of the annual report on the working of the enterprise and its scrutiny by a special committee of the legislature are some of the means to secure the desired ends of accountability and control.

The disadvantages of the autonomous pattern are more or less the same as of the mixed-ownership pattern. It is difficult to draw a line between policy control and management. The two overleap each other. This presents a possibility of conflict between the government and the autonomous management. Excesses may occur on both ends. There might be excess of autonomy and a tendency of utter disregard for accountability and control might develop, or there might be too much of state interference. And thus Government and the autonomous management might pose as rivals and accuse each other of excess, making it difficult to be discovered where actually the fault lies.<sup>35</sup> It is necessary, therefore, to strike a balance between autonomy and control, so that both remain real and none becomes arbitrary.<sup>36</sup> Given this balance, the autonomous form of management is the best of all. Again, Parliament should prescribe by law the cadres and grades of the employees, their conditions of work, etc., so that to minimize the chances of corruption and to develop a sense of security among the employees. It should also constitute a committee to examine closely the reports

34. Quoted by Chester and Clegg in *The Future of Nationalization*, Oxford, Basil Blackwell, 1955, p. 44.

35. The Damodar Valley Corporation is an illustration in point. The Estimates Committee of the First Lok Sabha has, in its report on the Central Water and Power Commission and the Multi-Purpose River Valley Schemes, accused the D.V.C. of the excess of autonomy: “The autonomous character of D.V.C. has been taken to extreme limits. The D.V.C. has developed strange conceptions of its autonomy and tried to bypass the authority or the advice of the Government. Government in their turn have failed to keep it within limits although necessary power is vested in them under the Act to do so.” (Fifth Report, 1951-52, Parliament Secretariat, p. 53) Shri Gorwala, on the other hand, discovers that the fault lies at the door of the Government which is guilty of too much interference: “The history of the corporation since then appears to have been series of unedifying episodes in which, so far as one can make out, the corporation has had to use a great deal of its energies in attempting to maintain its autonomy, and sections of Government theirs, in attempting to reduce the corporation to the position of a department sub-ordinate to the Secretariat.” (A. D. Gorwala, *op. cit.*, p. 33.)

36. Cf. The statement of Mr. Ernest Davies; “The kernel of the problem is provision for safeguarding national interest without encroaching upon the administrative independence of the boards and usurping their managerial responsibility. Some control is essential, but its excessive use would diminish the autonomy of public corporations, which would undermine the very principle on which they are founded. Independence from Treasury control—that is, financial autonomy and freedom from departmental interference—is considered to be necessary to enable adequate flexibility in operation, which is itself essential, if initiative and enterprise are to be given full rein.” (Quoted by T.R. Sharma and S.D.S. Chauhan in “The State Industrial Enterprises in India, *Agra University Journal of Research* (Letters), Vol. V, January 1957, p. 40.)

on the working of autonomous bodies and offer comments. The reports must be submitted annually. Further, great care should be taken with regard to appointments on the Board of Directors. Men gifted with industrial statesmanship alone can cope with the challenge that public enterprises thrown as regards their management and organization which is as difficult as carving out a new constitution for the country. They alone should be picked up without personal, sectarian or provincial considerations. As observed by Robson :

“All the experience we have so far had of nationalised industries serves to emphasise the crucial importance of the governing board. The success or failure of nationalisation is, indeed likely to depend more on the quality of the boards directing the public corporations than on any other single factor. For from this flow all the decisions on policy and administration which together make up good or bad management.”<sup>37</sup>

## V

After this long discussion on the form of management, we now turn to the issue of the protection and representation of the consumer's interest. The competitive zeal of the private entrepreneurs makes them often cater to the consumer's interest. But public enterprises are generally monopolistic and thus fear no competition. This gives them an opportunity to penalise the consumer by several methods, such as the addition to selling costs, monopoly profits, levies on consumers' preferences, and so on. It is necessary, therefore, to set up consumers' councils to look after the interests of the consumers.

The councils should be really representative bodies and not a mere assembly of officials or highly placed non-officials who are too distant from the consumers to know their real interests or represent them. The council should neither be a nominated one nor a directly elected one, because in both cases it would be reduced to a political, party or power organ, while the need is of a sober service institution. The only alternative is its election on the basis of proportional representation by the legislature. This would make it an institution 'of the people and for the people', non-partisan and independent to the maximum. The tenure of office of its members should be long, say seven years (even longer than the legislature itself) and the members should have the right to be re-elected. This would ensure that the council would become a store-house of industrial experience and would have an even tenure, not necessarily disturbed by the fluctuations at the polls.

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37. Robson *op. cit.*, p. 91,

The consumers' councils should be independent bodies attached to each public enterprise and granted a definite status of an advisory council.<sup>38</sup> Full details of policies, plans, costs and working should be made available to them. Their say should matter particularly with regard to quality of goods and prices. The council should have the right to submit to the legislature a quarterly report on its work, noting in particular the cases of difference of opinion with the Government. This would make its advice weigh with the Government and keep it up and doing in the right earnest. Further, it must enjoy the power to attend to the complaints of the consumers, enquire into them and pass them to the Government for redress with its own recommendations. Again, it should also acquaint itself with the needs and preferences of the consumers and recommend them to government for a sympathetic consideration. It should also explain the difficulties of the Government, if any, to the consumers in this regard, and popularise its policy on merits. It must have funds of its own. The officials of the council should be paid so that as whole-timers they may devote themselves heart and soul to their job and thus equip themselves to contribute their instructed judgment to the consumers' good. Thus also they would be in a position to give rational, studied and practical advice and offer constructive criticism. The ideal consumers' council has a double personality; it has to behave as a friend of the government and a trustee for the consumer. It is for this reason that the Government, as the arch-manager of public enterprises, should take them into confidence in the day-to-day activities, so as to enable them to appreciate its intentions, difficulties and limitations. This would strengthen the hands of the Government on the one hand and develop industrial democracy in the country on the other.

## VI

Now we turn to another question, that is, what amount of centralisation or decentralisation is desirable in the management of public enterprises? This problem arises with regard to those industries which are big enough to admit of a network of units, spread far and wide in the country. The guiding motive here should be uniformity in policy control and institutional activities and autonomy in functional activities. For this reason, there should be one central Board of Directors attached to each public enterprise to lay down policy, regulate institutional activities and exercise control and supervision. Regional boards

38. In England they are reduced to mere courts of appeal which are normally summoned to action when consumers, having failed to get satisfaction from the industry, make a complaint to the councils, which they pass on to the Minister. It is, however, not a healthy precedent to follow because it limits their action to a right of post-action review only.

under the central board should not be set up, unless there are very many units of a public enterprise; for they are uneconomical, diffuse responsibility, breed conflicts of jurisdiction and make co-ordination difficult. Mr. Gorwala's suggestion that there should be one central Board of Directors of six for the entire public enterprises operating in the country is not convincing. It would create a Leviathan without ensuring operative efficiency. Each public enterprise has problems specific to it and so a common central Board of Directors would not do. Further, the area of public enterprises is too vast and problems too complex to be coped with by one Board. Again, it would weaken the reins of control and supervision.

Last but not least in importance is the issue of the well-being of the labourers. The socialistic pattern of society without the labourer getting his due would just resemble an Egyptian mummy, rich in all the splendours of the living but devoid of life. In order to protect the interests of the labourer and to foster them, it is necessary to have representatives of the labour serve on the management of a public enterprise. For, as it has been observed by Laski, "classes excluded from a share in power have also been classes excluded from a share in benefits." They should have a say in determining the conditions of service for the labourer, say his wages, hours of work, leave rules, holidays, amenities for life, protection against exploitation, insurance against casualties and so on. But who shall elect these representatives? They should be elected by the trade unions. At the risk of digression, it may be pointed out here that the trade unions would no more be militant organizations arrayed against the management because there would be no class conflict in public enterprise under the socialistic pattern. Yet they would have a constructive role to play as labour welfare agencies and they should be recognized by the Government in that capacity. Besides, labour tribunals, having both the representatives of labour and management on it, should be established to deal with labour disputes equitably. Above all, the labour should be dealt with as human material and not as mere tools of trade and this would illumine the dream of a socialism with life.

### VIII

The foregoing discussion would show that the problem of the management of public enterprises is both difficult and taxing, particularly in the initial stages when it damps the ardour of even the most ardent advocate of public enterprises.<sup>39</sup> But here, as every where,

39. Cf. the statement of Philip Snowden: "The advantage of nationalisation would not be immediately obvious, for it would take some time to get the new organization into successful working order" (*If Labour Rules*, p. 39).

time and spirit matters. India is just in a stage of transition and experimentation. Our attitude should be that of a relativist and a cautious imitator. We must not go after the British, French or American model blindly. We should profit by their experience and adopt that form of management which suits the genius of the enterprise and ensures industrial democracy with maximum of efficiency, labourers' well-being and consumers' good.<sup>40</sup> We have seen above that no form of management is absolutely good or bad. Yet, as efficiency and consumers' good are best secured when industrial management is enlivened with a spirit of freedom with responsibility, the autonomous pattern is certainly preferable.<sup>41</sup>

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40. Cf. The following observation made in the Report of ECAFE Seminar on Organization and Administration of Public Enterprises in the Industrial Field:—"It cannot be said that any one form of organisation is best for administration of public enterprises in all countries and under all circumstances. All factors need to be weighed in selecting the form of organisation for a particular enterprise, including the nature of the programme, operating and financial requirements, the impact on the national economy, types of operations, the political climate of opinion and the availability of competent personnel". (*Some Problems in the Organisation and Administration of Public Enterprises in the Industrial Field*, United Nations Technical Assistance Administration, New York, 1954, p. 16).

41. Cf. the statement of Mr. Appleby: "For purposes of introduction it remains only to emphasize the view that there is special validity, particularly in India and particularly just now, in the application of the conception of autonomy to the government's industrial and commercial undertakings.....India is in fact in a state of emergency quite comparable to the condition that would obtain if the nation was at war. Its success in this emergency depends upon rapid decision-making, rapid action. The present emergency is most acute on the front where new enterprises are in the building. As in war, the emergency dictates the establishment of procedures that have a maximum potential of acceleration consistent with the maintenance of democratic values." *Re-Examination of India's Administrative System with Special Reference to Administration of Government's Industrial and Commercial Enterprises*, Cabinet Secretariat, p. 6).

## PLANNING FOR A REGION

*Rana K. D. N. Singh*

AS, with the passage of years, the role of planning assumes greater significance in this country, an important but little recognised level of governmental planning, that of planning for a region, will have to come into greater play if a planned approach is to become fully effective. The need for a regional approach arises from the fact that a large number of subjects and problems are not large enough to demand national action but are, at the same time, too extensive for effective action to be taken by the individual states and other governmental organisations. It is often overlooked that the major problem areas extend beyond state boundaries and yet are not so extensive as to justify action directly by the central government nor is there any other governmental agency which can deal specifically and from an overall point of view with the problems of such areas. The importance of regional planning is derived from the fact that while planning in this country to-day relates to planning in respect of watertight, state-wise or, at the narrower level, district-wise, compartments, a very large number of the major problems of planned development necessitate the closest possible collaboration between the various states or district units as the case may be. The entire concept of regionalism stems from the realization that important development sectors of the economy often present problems which extend beyond the boundaries of component states or smaller administrative units. In fact, whenever the central or state governments come directly into contact in the field of natural resources, the problem of regionalism almost invariably tends to emerge. The state and district boundaries, fixed for administrative and political reasons, are rarely co-terminous with either the areas of human and natural resources or with the problem areas that may require special treatment.

The concept of regionalism has been variously defined from various points of view. From the planning viewpoint, regionalism must be viewed from the standpoint of resources, both human and material, and output. A region, from this viewpoint, must be considered as a geographical area in which the material resources of various categories together with the human factor are in a position to combine in the most harmonious and optimum relationship. It is important, in this context, to stress the human factor also as planning cannot be realistic or really effective unless this aspect is given proper emphasis,



whatever may be the relationship between the material resources pertaining to a particular region. In order that regional planning may be most effective, a region must possess certain basic and definite characteristics. The area should be as compact as possible and should possess the maximum degree of homogeneity. It should include all the territory containing a major combination of resources and should include whole problem areas as far as practicable. It should also be such an area where it would be possible to develop, over a period of time, a certain degree of regional identity in order that the provincial bias of the people in the region does not invariably overshadow the needs and requirements of a regional approach. While the fact of strong provincialism in this country cannot, and should not, be ignored, it would also not be proper and correct to assume that no regional approach could succeed in India because of the provincial bias and prejudices that exist in this country at present. It is important, in this context, to note that the States Reorganisation Commission fully accepted the important role of regional planning in this country and the need for adopting such an approach. It would be an extremely defeatist attitude to assume that regionalism would fail in this country against the bedrock of provincialism.

At what level, from the territorial point of view, should the regional approach make itself felt? Regional planning in the context of the region's size must be conceived, programmed and executed at two levels. On the one hand, there should be regional planning at the wider level encompassing large homogeneous tracts extending beyond state boundaries. On the other hand, the problems of regional planning also present themselves and should be sought to be tackled at a much narrower, territorial level within the boundaries of various states.

As far as the boundaries of a region, in the wider sense, are concerned, it is important to remember that any discussion of regional planning in a federal system of government would be quite unreal unless full account is taken in the relationship between component states and any regional units which would extend beyond state boundaries. There can be no doubt that while the problems of planning relate to physical and geographical factors and their relationships with one another, the question of implementation raises a number of factors such as financial contributions from the beneficiary units, availability of managerial staff and labour and a number of other factors which are exclusively under the control of the various states. It would be quite impractical and unrealistic to expect that the mere creation of a regional planning and execution unit would bring about regional planning without not only the goodwill but the most active co-operation from the various states forming the regional unit.

Inter-state co-operation is not only a desirable ingredient of regional planning but an absolutely essential prerequisite.

The question that poses itself in this context is as to whether a regional approach should be sought to be achieved through the creation of specific, regional divisions each with its own regional authority with extensive and clearly defined powers over the various component states or whether the goal should be sought to be achieved through a fairly loose form of voluntary inter-state co-operation over a certain field, which itself may or may not be defined specifically.

## II

The experience of the United States in the matter of regional planning is very useful in this context. Regional planning, apart from metropolitan planning, took three main forms in that country. Firstly, there were the joint bodies set up by the various Federal departments for the purpose of investigation of the scope and direction of regional planning in particular states. A similar approach was made in the creation of *ad hoc* Regional Planning Commissions at the instance of the National Resources Planning Board, a centralised planning agency which functioned from 1934 to 1943 and which did a great deal to focus attention on regional planning. The two Regional Commissions which showed considerable promise were the New England Commission and the Pacific North-West Commission. Designed as agencies for collaboration and co-ordination in respect of the planning programmes of the various states, these agencies conducted comprehensive surveys and collected a mass of useful data on the basis of which they recommended certain lines of policy. Their activities did not, however, go beyond emphasising the directions that planning and resource development should take. These bodies, created on a voluntary and semi-official basis and without any statutory powers could not hope to be more useful or successful. Their inherent weakness lay in their inability to make their findings and recommendations effective and acceptable to the state authorities concerned. Such agencies can do useful work in respect of investigation and collection of data but cannot hope to make regional planning a reality.

The second form of regional planning in the United States took the shape of semi-autonomous regional agencies of which the T.V.A is the classic example. The T.V.A., apart from being a regional planning agency, was also empowered by statute to put its plan into execution and was given both statutory powers and responsibilities for the development of the entire region constituting the Tennessee

watershed, its powers not being confined only to the making of plans but including the execution thereof. The T.V.A. was an experiment in regional planning in its purest form and proved extremely successful. The credit for its great success was not, however, so much in its statutory organisation as in the manner it set about tackling its multifarious problems. Instead of setting itself up as a separate and self-contained organisation cutting across the channels of other departments in the field, the T.V.A. sought, from the very beginning, to act through and with the various other departments and agencies working in that area. Its efforts were never to supplant any other agency; had it tried to do this, it might have proved a failure. At the same time, it did far more than supplement the efforts of the other agencies and not only did it knit them up together into one co-ordinated team for the execution of different parts of one overall developmental programme but gave their efforts an entirely new shape and direction in the extensive area over which it extended. Thus the T.V.A. gave far more than the sum total of the network of dams, canals and power houses that came up in the Tennessee Valley. Undoubtedly, the T.V.A. serves as an excellent model for regional planning institutions in other countries but, at the same time, it must be remembered that its success was far more due to its excellent management and administration rather than because of its inherent statutory set-up. The T.V.A. principle cannot be applied in the case of every region nor can it even be used in the case of every watershed area. There is no doubt that the glamour radiated from the success of the T.V.A. is very attractive, particularly in under-developed countries such as India but it is well to remember that despite its success, this inter-state organisational method has not again been applied in the United States though requests for the establishment of similar organisations in other parts of the U.S. have been made from time to time. Of course, the pressure interests from important private groups and that of the federal departments which, by and large, resist the creation of such an all-embracing, multi-purpose organisation are far stronger in the U.S. than in a country such as India. In fact, in India there is no corresponding departmental agency comparable to the huge, single-line Federal departments in the United States. These latter departments, dealing with single subjects such as land, forests, reclamation, agriculture and the like are centralised in Washington and operate through a network of regional headquarters all over the country. These departments are, however, too centralised and their regional offices are created on purely administrative considerations and bear little relation to regional requirements. Though there are few private pressure interests and no federal departments to oppose the establishment of a semi-autonomous regional agency such as the T.V.A., or the D.V.C. in this country, this form of regional

organisation should be set up only in respect of watershed areas, the boundaries of which extend beyond the boundaries of more than one state and only under special circumstances when all the factors are considered as being conducive to the efficient functioning of such a statutory, multi-purpose organisation. The great success of the T.V.A. should not blind us to the obstacles that stand in the way of such an organisation proving a successful unit of regional planning when the region extends over more than one state. The problems and difficulties which have faced and which continue to beset the D.V.C. are very useful and suggestive pointers in this regard.

The third kind of organisation for regional planning, at the wider level, which has been tried out in the United States are the inter-state planning agencies which have been established either voluntarily or through inter-state compacts. This organisational device has proved very useful in the United States in connection with various non-developmental matters such as boundary disputes, cession of territory, taxation and utility legislation and the like but has proved to be of little utility when applied to multi-purpose programming and development. The most striking example of the use of this method was in the case of the Colorado River Compact, many years ago, where seven states agreed to work out a compromise scheme for distributing the waters of the Colorado river. The actual experience of the Compact, however, was very disappointing and even the Resources Planning Board had to admit that the method was impracticable when the compacting authorities were not willing to delegate the necessary authority to this agency to enable it to accomplish the purpose for which it was created. The inter-state compact could not prove successful when it was attempted to be used for the purpose of continuous and progressive planning activity because the state governments, being the deciding authorities in the matter of additional grants and in respect of most of the actions of the executing agency, the Compact could not go ahead independently in the implementation of any regional programme.

### III

The American experience in the field of regional planning has amply demonstrated that the most essential factor in the success of regional planning at the inter-state level is the active and willing co-operation of the states composing a region. At the same time, a voluntary and loose compact between the states does not adequately serve the purpose and it is necessary to arm the regional authority with adequate powers to enable it to function effectively.

In what manner can the American experience in this field be profitably applied to this country? The federal system of government, the autonomy of the states over an extensive field of subjects, the considerable disparity in the development of various areas of the country all create problems which are also found in the United States. In India, however, we have one important advantage. In the last decade, planning has become, for the most part, a centralised function and the Planning Commission exercises very considerable authority over the plans of the various states. The necessary groundwork has, therefore, been laid and it should not be too difficult to give state planning a regional turn. As against this, we have the corresponding disadvantage of extreme provincial loyalties which may militate against any regional approach. This necessitates a slow and gradual approach. The creation of the Zonal Councils in the various parts of the country will undoubtedly go a long way to preparing the ground for a regional approach and is an important step in the right direction. It should not, however, be looked upon as an end in itself. Left to itself, it might become a ponderous and low-moving machinery whose energies would largely be frittered away in discussions of disputes of various kinds as may arise among the various states. Unless a strong super-structure of a regional planning organisation is built up as part of the Zonal Councils, this novel and extremely useful experiment would serve little purpose from the viewpoint of planned development.

The Zonal Councils have undoubtedly created a basic regional organisation within the framework of provincial autonomy. The next stage is to create a regional planning organisation within the Zonal Council, an organisation that can be fully utilised to meet the needs of the regions within the group of states that constitute a zone. The Zonal Council cannot, at least for some considerable time to come, be looked upon as a regional governmental organisation except in the strictly literal sense. For the present, it must be considered as a loose inter-state compact for the solution of such inter-state problems as may emerge from time to time. The regional planning agency under the Zonal Council would have to be an agency with specified scope and powers. These agencies may be termed as Zonal or Regional Planning Commissions and though they need not be created by statute, they should be built up in such a manner and given such powers as would enable them to ensure that their recommendations are given effect to by the various states. The Zonal Planning Commission should be composed of one representative of each of the component states with the same number being appointed by the Planning Commission, one of the latter being the Chairman of the Zonal Commission. Such an organisation would ensure an overall approach to the problems

of the region and would also provide for adequate representation for the viewpoints of the component states. It does not follow that the group-of-states area to be covered by Zonal Commission would automatically be the same as the area covered by a particular Zonal Council. A particular Zonal Commission should extend to a group of states within a Zonal Council but should also, as far as possible, be confined to an area whose factor resources are fairly homogeneous, whose territory is fairly compact, which has fairly good communications within, and other such considerations which would enable it to function efficiently as a composite regional unit. It should, at the same time, be perfectly compatible to have two Zonal Planning Commissions in respect of states coming under the purview of one Zonal Council. For example, the Eastern Zone should be divided under two Zonal Commissions for the purpose of regional planning, one covering the states of Bihar, West Bengal and Orissa while another would cover the areas of Assam, Manipur and Tripura, which owing to their stage of development as well as their geographical location should be dealt with on a separate footing from the other states comprising the Eastern Zone. Then again, areas such as Jammu and Kashmir which require specialised treatment should also be kept outside the Zonal Commissions and dealt with on a separate footing.

The next question for consideration is the role and functions that should be discharged by the Zonal Commissions. Since the Commissions will extend over more than one state, it would not be advisable to make these into strong executing agencies as then there would be likelihood of conflict between the Commissions and provincial loyalties. The Zonal Commissions should be inter-state planning organisations but their activities should be directed towards general policy planning and they should not become responsible for detailed execution. It is not suggested that each Commission should be armed with extensive and detailed powers such as have been given to the D.V.C. The functions of the Zonal Commissions would be to conduct comprehensive investigations into the physical resources of their respective regions, to formulate broad regional plans, of which the state plans would form an integral part, in respect of various developmental items such as industries, agriculture, communications, water and land resources and the like; to exercise general supervision over the plans which would be executed in the various states such as the Planning Commission does today; and thereafter to evaluate and review the state plans and programmes so as to ensure that its recommendations and plans are actually carried into effect. The task of regional planning in India is of co-ordinating the decentralised state units into one unit aiming at uniform regional development.

A strong regional organisation of this nature which would be in a position to function effectively as a controlling and reviewing agency would avoid the weaknesses inherent in both the inter-state compacts and the regional boards and commissions created in the United States. Through its reviewing and directive powers, such a regional organisation could exercise quite enough authority to ensure that the regional interests would not be subordinated to the narrower interests of the various states. The relation between the Central Planning Commission and the Zonal Commissions would be somewhat similar to the relation to the Planning Commission with the various states at present in so far as financial allocations were concerned, each region being given such allotment as would be considered necessary for the uniform development of the region and so as to bring it on par with the more advanced and industrialised areas of the country. Thereafter, there should be the maximum delegation to the Zonal Commissions in the matter of drawing up, modifying and reviewing their respective regional plans. This would mean a decentralisation of the planning function, a very desirable end in itself, down to the regional level, where it would be expected to operate best.

It is perhaps likely that, in the initial stages, there may be some degree of conflict between the Zonal or Regional Commission, and the component states, but these would, in time, be resolved, with a gradual appreciation of the usefulness and advantages of a regional approach as against a purely state-wise approach. In any case, the proposal does not envisage anything very radical. For the most part, the functions performed at present by the Planning Commission would be performed by the Zonal Commission, which by its very nature, would be in a better position to plan and review the development programmes than either the states or the present centralised Planning Commission. The Zonal Commission would act as a clearing house for planning programmes within the region and would also function as a very useful intermediate agency between the states and the Planning Commission.

While it has been indicated above that the Zonal Commissions should not be made responsible for the actual execution of the regional plans drawn up by them, it is necessary to examine as to the manner in and the agency through which such regional plans should be executed. Except in exceptional circumstances it would be desirable if the regional plan was split up, in the first instance, into state plans for the purpose of actual implementation. At the state level, however, there is again scope for bringing in the regional concept. At present, the state plan is, in turn, divided up into district and sub-divisional plans going down to even smaller levels in terms of territorial planning while the actual

execution, for the most part, is taken up at the district or sub-divisional stage. This kind of planning seeks to bring to a uniform level, as far as possible, all the various sub-divisions in respect of the facilities provided through the various development sectors. Such an approach, however, militates against a full and efficient exploitation of the resources of the region of which the district or sub-division forms a part. For example, an area comprising more than one district may have greater scope for agricultural development than the neighbouring regions. A regional approach would ensure that such an area would be given a greater agricultural bias than other regions within the state, while in the other inter-district regions emphasis would be given to those productive aspects of planned development for which the particular region is best suited.

This brings us to regional planning at the narrower level of planning for the regional development of areas which by and large fall within a particular state.

#### IV

In the United States, regional planning, for a long time, was synonymous with planning for metropolitan regions around the major cities. In agricultural countries such as India, the development of the compact, rural, village communities under a programme such as that of community development could also be considered as falling under the general category of regional planning. This method of demarcating the smaller territorial region is really on the basis of administrative convenience and necessitates operating through centres located by and large in the larger towns and villages each of which has a tract of territory attached to it, more or less on an arbitrary basis, according to area and population. This kind of a real demarcation is the most easy to formulate and forms the basis of our present-day district planning but this cannot be considered as being a really scientific method as it is quite unrelated to the factors of resources and output, which, in the ultimate analysis, can serve as the only proper and scientific basis for regional planning at the narrower level. Any division based on administrative convenience cannot, for obvious reasons, express the areas as regional entities and the chances are that, following this method, the difficulties of effecting any regional balance are multiplied. Once a development programme is thought of in terms of, say, a district and sub-division or even in terms of a village or *mouza* it cannot easily be transformed into a plan for a region or sub-region of which the district or sub-division may form only a part.



The only scientific method of demarcating a region, at the narrower level, would be to divide the wider region which may or may not extend beyond state boundaries, on the basis of single functions within the component state units. This would mean a division into agriculture regions, watershed regions, industrial and manufacturing regions and the like, all within a state and all, at the same time, within the overall regional division which may extend over more than one state.

An even more scientific regional demarcation, at the narrower level, would be to effect such demarcation in terms of composite planning problems. This, however, necessitates the collection of sound, comparative data regarding both the sociological and material factor-resources of different areas and putting these together, and only thereafter dividing the bigger region into smaller composite regions which may or may not cut across state boundaries. Such data is not only not available in this country at present nor is likely to be available in the near future but a demarcation based on purely material and resource considerations in various small inter-state units would bear absolutely no relation to the present-day political division of the various states and would create administrative problems of a very great magnitude. In India today, it would just not be practicable.

At the narrower level of regional planning, viz. that of dividing the large, overall region into smaller component units for the purpose of planned development, therefore, the most desirable and, at the same time, practicable basis of demarcation would be on the basis of single functions within the different states. This would mean that for the purpose of actual planning operations, the unit would take the form of a more or less composite unit based on any one function such as agriculture, or even a particular kind of agriculture such as jute or cotton cultivation, or a river basin area and the like. There would naturally be no fixity regarding the size of such sub-regions as this would be entirely dependant on the various natural factors. Here too, however, it would be important to give due consideration to the human element. Even though a river watershed area may extend over two or three states and the most optimum demarcation of such a sub-region would necessitate cutting across the boundaries of more than one state, it might prove desirable, from the practical point of view, not to follow up such a division to its logical conclusion if it was felt that provincial feelings and considerations would operate strongly against the efficient functioning of such a sub-region. Sub-regional planning over inter-state areas must be allowed to evolve by itself and should not be forced from the top because, in the ultimate analysis, it is at the sub-regional level that regional plans will have to be executed

and, at this level, the states must be made responsible for execution. Normally, therefore, the sub-region for the purpose of execution should be confined to the boundaries of one state. In states of the size as exist in India, there would be only a few examples of sub-regions divided on the basis of single functions which would extend beyond the boundaries of any state. Of course, there would undoubtedly be some such cases for example, the coal areas of Bihar and West Bengal or the Damodar watershed region covered by the D.V.C. but in the greater majority of such cases also, it is unlikely that provincial considerations would operate too strongly. At the sub-regional level, what is visualised is a number of units based on single functions which would serve as the actual units of planning operations and the boundaries of which sub-units would normally be confined to a particular state and would extend beyond the state only in such circumstances when provincial feelings would not operate against the working of such sub-regions. The sub-regional unit should ultimately replace the present-day district and sub-divisional units in so far as planning operations are concerned and in place of the district and sub-divisional plans we should be having sub-regional plans.

Since the sub-region would be created on the basis of a single function, for planning purposes it should have associated with it an officer concerned with that particular function though the overall charge may still be left to the non-technical civilian. For example, the plan for an agricultural sub-region which may extend to cover two or more districts should be drawn up by an officer of the Agriculture Department who would, under the general supervision of a Regional Planning Officer, be responsible not only for planning the programme in respect of this region but would also be responsible for its execution. The sub-regional plan would then be given its proper bias and emphasis in respect of the function for which it is best suited. This would not naturally mean that all development activity in the sub-region would be confined to only one function to the exclusion of other activities. Other aspects of development would also be given their due importance within a particular sub-region but these programmes would be drawn up and oriented in a manner best suited to the most efficient development of the function which forms the basis for the division of a particular sub-region.

At the present moment, our planning particularly at the lower level is too diverse and after these years of all round planning it is now necessary to introduce an element of selectivity and to concentrate on the development of particular productive functions for which particular areas are best suited. This would undoubtedly constitute a basic difference in our planning approach but

such an approach has become absolutely essential for the best utilisation of our limited financial and other resources. Planning from the bottom can become most useful only if it is conducted through a sub-regional agency, concentrating on the development of a single productive function. So far, for the most part, planning has been, to a considerable extent, from the top as a result both of limited resources and of the necessity of allocating priorities from the higher levels. If planning is truly to be from the bottom, that is from the village panchayat upwards, it would be bound to result in unit planning in its most diversified form and would correspondingly make far less impact on the overall economy of a particular area and would also contribute far less to the productivity of the area than if the plan for the area was drawn up on the basis of the chief resource-factor or factors of the area and designed to bring about the maximum productive development of such resource-factor or factors.

From the execution point of view, such a sub-regional approach would not mean very much modification of our present set-up. The administrative, district-wide divisions would remain untouched and would continue to be utilised by the sub-regional agency as far as possible. Only the planning set-up at this level would be entirely altered and the sub-regional plan would be drawn up and executed on the basis of the sub-regional unit. In detailed execution, the district and sub-divisional level officers would continue to discharge the supervisory functions they are doing at present, the only difference being that the overall supervisory function would be given to a Regional Planning Officer assisted by a technical officer having specialised knowledge regarding the function or functions for the development of which a particular region is considered most suited.

## V

The regional administrative arrangement, as outlined above, would undoubtedly mean the creation of another tier in the structure of planning administration. It is necessary to ensure that this does not result in a greater bottleneck and more delay in respect of sanction for projects and programmes. This can only be done if there is maximum delegation of power all along the line. The Central Planning Commission should be responsible only for (i) laying down broad, general policies for the country as a whole and for particular regional areas in particular and (ii) indicating the broad, financial framework within which regional plans for various groups-of-states regions should be drawn up. Thereafter, the actual drawing-up, implementation and even review of the regional plans should be a matter entirely left to the

discretion of the Zonal Planning Commissions who should also be able to make alterations and modifications in the regional plans whenever considered necessary. The Zonal Commissions must be considered as integral parts of the Central Planning Commission but the latter's decision should only be invoked if, owing to differences between the states, the Zonal Commission is not able to arrive at any satisfactory solution regarding any project or programme. It is likely that, after an initial period of two or three years, references by the Zonal Commissions to the Planning Commission regarding details of execution of their respective plans would be reduced to the barest minimum. At the lower level, that of the sub-regional unit also, there should be the least interference and the maximum delegation of financial and other powers. The Regional Planning Officer should be empowered to make such deviations and modifications in the original sub-regional plans as circumstances may necessitate and the Regional Advisory Board, on the lines of the District Development Boards, may approve. The role of the various state governments at the state level in respect of details of projects and programmes would naturally be greatly circumscribed but would find full and adequate expression both at the sub-regional and the regional levels.

While little difficulty is anticipated in setting up the regional planning structure at the Zonal Commission stage, particularly now that Zonal Councils have come into being, some practical difficulty is bound to be experienced particularly in the initial stage of demarcating and setting up the sub-regional units within different states. This follows from the lack of an adequate body of theoretical knowledge relating to the manner and methods by which the various small regions and sub-regions can be efficiently studied and worked upon. It has to be carefully examined how particular aspects and problems, for example, the mitigation of unemployment and distress in particular localities, the role of cheap electrical energy in rural communities, or the multi-purpose development of small watershed areas and the like can be effectively dovetailed into one overall, sub-regional pattern. It would undoubtedly be a somewhat difficult problem as to where and how to make a beginning. How would the area of a sub-region be defined, in what manner would the development activities in a sub-region, demarcated on the basis of some single function, be linked with the activities in other sub-regions marked out on the basis of some other development function or functions, to what extent would the single-function approach be pursued to the exclusion, by and large, of other developmental activities, are all questions which crop up as soon as the regional concept is sought to be introduced in the field. The only solution to meet these problems is to conduct extensive

research through regional pilot projects, specific resource studies and regional investigations under the state governments, with the Zonal Planning Commission as the advisory agency in each case. With the knowledge gained from the working of such pilot projects and studies, it would be possible to build up a considerable body of knowledge to meet the varying circumstances and conditions obtaining in this country.

At the same time, the above difficulty should not be given more importance than it deserves. Once the Zonal Commissions are set up and the state governments accept the regional approach, it should not be difficult to divide a sizable portion of the states into fairly homogeneous sub-regions on the basis of, say, watershed areas, geographical compactness and agricultural or industrial potentialities. The example of the Lower Colorado River Authority in the U.S., which took up the multi-purpose development of a large watershed area in one state very successfully, indicates the scope of regional planning within the boundaries of one state. A number of multi-purpose projects are being taken up in various states of this country and these will undoubtedly serve as pioneers in regard to regional planning in the field. It is necessary now to build up a strong superstructure of regional planning and administration on the twin foundations of the Zonal Councils, on the one hand, and the large number of multi-purpose developmental projects springing up in different parts of the country, on the other.

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## FORMS DESIGN—A Short Note

*J. B. D'Souza*

SO much of government work begins and ends with forms. In many of one's approaches to government offices, one is asked at once to fill out forms. And every one has undoubtedly been perplexed over the entries he should make against some of the questions in the forms he has to fill. Forms are thus a handy instrument in administrators' hands, a means of collecting and standardising data, a means of orderly classification.

Precisely because they are so widely used, their composition is taken very much for granted; forms, including questionnaire forms, evolve in a rather haphazard manner. This has two major disadvantages. Forms that are not carefully thought out and nicely worded baffle the person who has to fill them out; secondly, they are far less useful to the office staff that use them than they can and should be.

A great deal has been written on the technique of designing forms and questionnaires. Here I do not propose to do more than to show by a simple but remarkable illustration how a carefully designed form can cut out needless work and reduce a task to a fraction of its present dimensions. My purpose is simply to call attention to a much-neglected area in the administrative field, where forethought can minimise office work.

### The Problem

State Government officials who are appointed to posts in Bombay City apply to the Controller of Accommodation for residential accommodation. The office lists their names, and ultimately allots some requisitioned premises to them. Originally this was the form of application in use :

#### *FORM OF APPLICATION FOR RESIDENTIAL ACCOMMODATION*

1. Name and address of applicant :
2. Occupation (in detail) and office :
3. Present pay including allowances etc., or income. (Please state your basic pay and allowances separately) :
4. Single or married :

5. (a) Number of members in applicant's family :  
 (b) Their relationship with the applicant :  
 (c) Names of employers of earning members if any, and their monthly income.
6. How long has applicant been in Bombay ? If on transfer, from where and whether he had given up accommodation at the previous station. In case of a transferred Government Servant, please state the exact address of the premises occupied by his predecessor and whether they were requisitioned or not. Also state its rent :
7. How long is applicant going to be in Bombay ?
8. Where or with whom the applicant is staying at present ?
9. Details of accommodation now occupied by applicant and persons, if any, with whom the applicant is staying :
10. Minimum accommodation required by applicant :
11. Maximum amount of rent applicant is willing to pay :
12. Whether willing to share accommodation with others ? If so, with whom ?
13. Vegetarian or non-vegetarian :
14. The locality in which the applicant prefers accommodation :
15. Any special circumstances applicant wishes to urge in his favour :

I herewith forward the undertaking duly signed by me and witnessed by the head of my office, indemnifying the Governor of Bombay against any claim for compensation by the landlord in respect of premises that may be offered to and accepted by me, then subsequently rejected.

*Applicant's Signature.*

After an application entered the office and reached the assistant assigned to this work, the latter prepared a 'note' commenting on the application. Generally it was his job to examine in the note whether the application was complete and the applicant eligible for registration. Here is a typical note :

"Submitted with reference to the application of Shri. .... at p. 3 *ante*.

Shri. .... is a T.G.S. from Hyderabad. As regards his predecessor's premises, he states that he has been in a newly created post. However, this has not been confirmed by F.D. where he is working. We may get it confirmed by F.D. In the meanwhile we may take up the question of his registration. His basic pay is Rs. 600 and special pay is Rs. 150/-. He is, therefore, eligible for accommodation, rent of which is up to Rs. 187-8-0. He is willing to pay rent up to Rs. 200/-. His I.B.

is at p.13. He may, therefore, be registered as '7-P-fresh' and informed accordingly."

Before he could write this note, the assistant would have to peruse the application carefully. Altogether, the operation would occupy at least 20 minutes.

The application and the note would then go to the Superintendent or Officer for approval of the action proposed.

### Solution

The task was studied carefully with a view to simplification. Then the job of this assistant was simplified, by the introduction of one new form and the rationalisation of the existing application form.

### I

Here is the new application form :

#### FORM OF APPLICATION FOR RESIDENTIAL ACCOMMODATION

IMPORTANT NOTE : PLEASE DO NOT OMIT ANY PARTICULARS  
AS YOUR REGISTRATION WILL OTHERWISE BE DELAYED.

1. (a) Your name :  
(b) Residential address :
2. (a) Designation :  
(b) Name of office :  
(c) Office address :
3. (a) Basic Pay in the present post :  
(b) Special pay, if any :  
(c) H.R.A. if now drawn :  
(d) Other allowances, if any :
4. Maximum amount of rent you are willing to pay :
5. (a) Have you been transferred to Bombay ? If so, from where ?  
(b) If not, (i) Is this your first appointment in Bombay ?  
(ii) Where were you staying before joining your office ?  
(c) Who was your predecessor in office ?  
(d) What is the date of your joining duty in Bombay ?
6. What is the barest minimum accommodation that you will accept ?
7. Are you a vegetarian or a non-vegetarian ?



8. In which localities in Bombay will you accept accommodation ?
9. Has your office forwarded to this office your predecessor's declaration regarding his premises ? If not please attach.
10. (a) How many members of your family will be staying with you in Bombay ?  
 (b) What is their relationship with you ?  
 (c) Is any of them earning ? If so state,  
     (i) Name of the person/s  
     (ii) Name/s of office/s  
     (iii) Emoluments.
11. How long will you be in Bombay ?
12. (i) With whom are you staying at present ?  
 (ii) Extent of accommodation now occupied.  
 (iii) In what capacity are you staying there ? (*i.e.*, as a tenant, lodger, guest, caretaker etc.).

I enclose the Indemnity Bond signed by me and witnessed by a Gazetted Officer, indemnifying the Governor of Bombay against any claim for compensation by the landlord in respect of premises that I may accept but subsequently reject.

Place :

(Applicant's signature)

Date :

Certain features of this form deserve comment. From the point of view of the applicant who is filling the form, the questions are worded to facilitate answering them.

Firstly, some of the *vagueness* of the earlier form has disappeared, *e.g.*, question 10 in the old form regarding minimum accommodation required by the applicant has become "what is the barest minimum accommodation *that you will accept* ?" Question 14—"locality in which the applicant prefers accommodation" has become "In which localities in Bombay will you accept accommodation ?" Particularly in the latter case no scope is left for doubt on the part either of the applicant or of the office. The earlier phrasing left an area of indifference which could give rise to needless argument later.

One way of clearing up a vagueness in a question is to split it up into its components. An example is the entry relating to the present pay including allowances, etc., which very frequently produced replies that did not provide the information needed for the applicant's classification. In the new form the question has been split into a number of sub-questions. Another example of this is provided by question 5 in the new form which replaces question 6 in the old. The mass of

information called for in regard to the applicant's previous history and the premises his predecessor occupied, was most inconveniently bundled under one item. It is much simpler from the applicant's point of view if the question is split into a sufficient number of smaller questions.

A corollary of this is a logical numbering of questions and sub-questions, which makes the applicant's task easier.

One of the essential accompaniments to the application for accommodation was the covering endorsement by the applicant's superior officer regarding the premises his predecessor in office used to occupy. There were innumerable cases in which this essential was not furnished, with the result that the department had to engage in protracted correspondence on this point.

Often enough, the omission was due to the applicants themselves being ignorant of this requirement. So a draft "covering endorsement" was attached to the application form before it was supplied to intending applicants. To draw attention to this, we introduced a question into the application form itself on this point (question 9). This is a very useful technique.

There are also some points in the revision of a form which arise out of the manner of handling, and the requirements to be met in the office.

There is often a tendency to include needless questions in a form. Therefore, forms have to be strictly scrutinised from purely this angle.

Secondly, the questions in a questionnaire form should be arranged in such an order as to make their further processing simplest. We will have more to say about this below.

Questions that could be ambiguously interpreted should be improved or rephrased. For instance, during revision of the form, question 12 was first drafted to read :

- (i) Where are you now staying at present ?
- (ii) Extent of accommodation now occupied.
- (iii) Status.

The third sub-question lent itself to various interpretations. It was quite possible that an applicant might without hesitation write against it the word "married" or something equally irrelevant. What the office wanted to know was whether the applicant was a tenant, a paying guest or a caretaker. We, therefore, redrafted the question.

## II

Along with the change in the application form, we devised a new form for processing ("noting") the application :

1.	2.	3.	4.
<b>A</b>			
1.	Name of the applicant		
2.	Is the applicant's office address and designation given separately ?		
3.	Are the basic pay and allowances of the applicant shown separately ?		
4.	Has he indicated the maximum rent he is willing to pay ?		
	(a) If the reply to 3 and 4 is 'Yes', indicate rent group he is eligible for, in the 3rd column.	.....	
5.	(a) If he is a transferred Govt. servant, write 'T' in column 3, otherwise leave it blank.	.....	
	(b) If he is coming from mofussil for the first time to take up this appointment in Bombay, write 'M' in column 3, otherwise leave it blank.	.....	
	(c) If he is in a newly created post, write 'N' in column 3 otherwise leave it blank.	.....	
	(d) Has he indicated the date of taking charge in Bombay ? (Write 'Yes' or 'No' in column 4 and date of joining in column 3)		
6.	Has he indicated the minimum accommodation he wants ?		
7.	Has he said whether he is a vegetarian or non-vegetarian ?		
8.	Has he indicated the area in which he wants accommodation ?		
9.	(a) Is the predecessor's declaration sent by his Office/Department ?		
	(b) If the premises occupied by his predecessor are under requisition, give No. and date of A/O in column 3, otherwise leave it blank.	.....	

1.	2.	3.	4.
(c) If the predecessor has given notice to Govt. that he will vacate the premises, indicate particulars in column 3, otherwise leave it blank.		.....	
10. Has he executed the I.B. properly ?			
11. Is the application sent through the Head of his Office/Department ?			
<i>Instructions ;</i> 1. In col. 4 merely write 'Yes' or 'No'. Other replies should be in col. 3. 2. If there is any 'No' in col. 4, in reply to any question in Part 'A', return the application itself to the applicant for eliciting the required information. 3. If there is any 'No' in col. 4 in reply to any question in Part 'B' (but not in Part 'A') <i>do not</i> return the application but proceed with registration and obtain the required information after the applicant is registered.			
B			
12. Is the number of members in his family and their relationship to him given ?			
13. If there are any other earning members in his family, say so in col. 3, otherwise leave it blank.			
14. If he has stated how long he is going to stay in Bombay, indicate period in col. 3, otherwise leave it blank.			
15. Has he given the name and address of the person with whom he at present stay ?			
ORDER			

I call attention to some features of this noting form.

Firstly, clear and simple instructions appear on the form itself. Even a newcomer in the office can apply those instructions without any previous training.

Secondly, the order of entries in the noting form, and their numbering follow closely the order and numbering in the application form. Therefore, the clerk has merely to put the two forms adjacent to one another to fill up the noting form.

Thirdly, the questions on the noting form are so worded that they evoke either simple Yes/No answers or else a specific answer. For instance, question 7 reads "Has he said whether he is a vegetarian or a non-vegetarian ?" It does not ask "Is he a vegetarian or non-vegetarian ?", because *at this stage* the office is not interested in whether the applicant is one or the other. That would be of interest at a later stage in the processing. At this stage, the officer wants to know merely if the application is complete and therefore whether the applicant has said if he is a vegetarian or non-vegetarian. Similarly, question 6 does not ask "What is the minimum accommodation wanted ?", but "Has he indicated the minimum accommodation he wants ?" Here too, the office is interested in a simple 'yes' or 'no', rather than in the actual requirements, at this stage.

The noting assistant makes his entries in two columns on the form. A 'yes' or 'no' entry is to be made only in column 4. Other specific entries for which dotted lines are provided on the form are to be entered in column 3.

The entire set of questions is divided into two groups—A and B. Group 'A' contains information which is absolutely essential, and without which registration is impossible and the application form must be sent back. Group 'B' comprises questions which are not so important and which can become the subject of correspondence *after* registration.

If you read over the form you will see that any negative entry in column 4 will automatically result in the return of the application form to the applicant for completion. The task is thus rendered *completely automatic* and, as I have said above, a totally new recruit can be put on this job with hardly any training.

I need only add that the time involved in handling a single application fell, from about 20 minutes on the old system, to 3 or 4 minutes on the new.

I do not suggest that this example in any sense demonstrates all the numerous points that affect the make-up of a form. Here, for instance, is a point that would-be form designers might attend to :

One very often finds in government forms a number of various alternatives, with the foot note, "strike out whichever is not applicable". I have always thought that this is quite a wrong way of phrasing a question. When you face a large number of questions it is much simpler to pick out from several alternatives the one that does apply to you than the many that do not. Therefore, in regarded to multiple choice question it would be best to set them out one below the other and ask the applicant to make a cross mark against the alternative which applies to him.

There are various other points that must be attended to, *e.g.*, the spacing of items, so as (a) to give adequate space for the answers expected and (b) to facilitate processing. But as I have already written, my purpose is not to list the essentials of form design. It is merely to call attention (1) to the need for forms to be carefully planned before they are introduced, (2) to the manner in which a well-designed form can make the processing operation simple, *automatic* and economical in time.



"An efficient enterprise must work in a groove because a groove is the smooth way of doing things. Here, again, misunderstanding is frequent because too often it is assumed that the groove is a rut which must be avoided at all costs. The urge is to reorganize out of it, to consolidate and divide and shake up, simply to prevent the groove from becoming established. But this is shortsighted and unrealistic. The groove is essential. It is not the groove that should be prevented but the too deep grooving which becomes a rut and eventually militates against flexibility, fresh outlook, and adaptability to change".

—MARSHALL DIMOCK  
(in *'The Executive in Action'*)

## EDITORIAL NOTES

To enable the readers of the *Journal* to express their views on contemporary problems of public administration, a 'Correspondence' section has been re-started with this issue. It is not the intention to confine the correspondence to articles published in the *Journal*; views on any administrative issue of importance would be welcome.

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The feature on 'Book Reviews' has been supplemented with a section on 'Book Notes'. It covers 10 books, selected from fresh additions to the Institute's library, which we thought, deserved to be brought to the notice of our readers, though not necessarily through full length reviews.

—Editor.

## CORRESPONDENCE

### I

#### Work Study in Government Organisations

The Editor,

*I.J.P.A.*

Sir,

The principles, practices and problems of "Work Study in Government Organisations" as presented in a recent article in your *Journal* by Sarvashri Indarjit Singh and K.N. Butani (Vol. IV, No. 2, April-June 1958) do not differ much from the principles, practices and problems of work study in the administrative or office units and business organisations. We may get a useful clue or two therefore from business experience.

In particular, readers may consider an approach that is being increasingly accepted in the West and which has been tried by the writer in Indian business organisations with satisfying results.

In this approach, we start with defining the objective of the study. *A better service at a lesser cost at the right time*, we say, is the objective. Since this objective assures the interests of both the employer and the employee, this objective serves as a common ground.

We emphasise that this is the common objective of every member of the organisation. We emphasise that methods improvement is a continuous activity. We emphasise too that *methods improvement is every one's concern and not merely that of staff*.

So that every member should get into the act, personnel at every level is inducted to the significance, basic techniques and philosophy of methods improvement. *Every member effects improvement of his or her job*. The men at higher levels guide, encourage and co-ordinate the efforts of those at the lower levels. Thus, a departmental head co-ordinates the efforts of his supervisors who in turn co-ordinate the efforts of their assistants.

We find that the men on the job are able to effect improvement in their methods of work to a remarkable degree. In one study, a typists pool was taken up for improvement. It was divided into two sections. One section was analysed by two work study experts. Another section was analysed by the typists themselves who have been inducted to this approach. We found the man-on-the-job approach yielded more and better ideas than the work study expert approach.

The study was continued. The reports of recommendations were given to the sections-in-charge. Where the specialist did the



analysis, the section-in-charge had to fight every inch to get them implemented. In the other section, even before the section-in-charge spoke to his men, most of the recommendations had been implemented. Reason ? The initiative came from them and "the ideas were ours".

Where such an approach is adopted, there is a climate of methods consciousness, a refreshing absence of resistance to change, a dynamic drive to achieve the objective of 'a better service at a lesser cost at the right time'.

For this approach to succeed, one condition should be satisfied. Top management should be informed on and vitally interested in this approach.

The man on the job knows where the shoe pinches. Given the know-how and given the encouragement, he can continuously think of and effects improvements in his job. It is better for an organization that many men think in terms of improvement instead of one, however clever or skilled he may be.

Normally, top management does not wish to bother itself with this approach since it calls for a change in attitudes. It prefers the easy way out. It employs an outside consultant or an inside expert to 'rationalise' and 'streamline' the work.

That this approach costs much in terms of money, morale and time does not seem to appeal to them. Instead of all the staff working to achieve a significant objective, one lone expert works. Instead of implementing improvements quickly, smoothly and gracefully, there is an unending war, though an undeclared one between those affected and the officer concerned.

The specialist has his place in this approach. He comes in where refinements are needed. Men on the job can help achieve the first 70-80 % efficiency and it is to get the other 20 or 10 % they think of the specialist and they welcome him.

The logic is briefly this. "Methods improvement is change. If it involves me, unless I initiate it, I won't let it work. Even if it works, it won't be effective or dynamic. I will initiate it systematically if I am informed and encouraged. What stops you from giving me the know-how and encouraging me ?"

Is this approach applicable to government organisations? Is it desirable? Is it feasible? What would be the limitations? How can we surmount them? I would love to hear from the readers of this *Journal*.

Bombay,  
12th August, 1958.

Yours faithfully,  
N. H. Athreya

## II

## O &amp; M Machinery in India

The Editor

*I.J.P.A.*

Sir,

I have read with great interest the account of the pioneering work in the application of work study techniques in government organisations, undertaken by the Special Re-organisation Unit of the Union Ministry of Finance, described in the article jointly contributed by Sarvashri Indarjit Singh and K.N. Butani to the last issue of the *Journal*. The issue posed whether the methods study, work simplification programme, etc., should precede or succeed an analysis of the organisation at the top is primarily theoretical one; the learned authors of the article have found it more profitable to make an analysis of the organisational structure only after the methods of work have been carefully planned out and simplified; they feel that "the analysis of the superstructure of the organisation should follow the evolution of the design of the basic primary unit, the quality of work and the volume of load that it has to carry". Their conclusions, emerging from actual work studies, in regard to the organisation problems are refreshingly interesting. Some of these relate to the need for functional specialists and for functional distribution of work, as also for avoiding over-functionalisation; the structural arrangements necessary for effective supervision and the need for re-consideration of the present inflexible structure of the primary unit of work in view of the rapidly expanding activities of government. The last conclusion itself indicates the limitations of the work study techniques and the need for their being supplemented by proper 'organizational' studies into the higher structure of the administrative hierarchy, the problems of supervision and control, concentration and deconcentration, centralisation and decentralisation, allocation of functions between different Ministries, etc. This is in a way implicit in the conclusions of the learned authors who have considered organisational and methods studies 'a continuing part of the same assignment'; but they have not carried the argument further to its logical conclusion.

A point which naturally arises at this stage relates to the administrative machinery for carrying out organisational studies, particularly at the top. At present 'O & M' work on the lines of the British practice is carried out in India by the Central O & M Division, located in the Cabinet Secretariat. Methods study also

logically forms a part of the functions of this Division ; the Special Re-organisation Unit of the Union Ministry of Finance has specialised in this work particularly by using more refined tools developed in the U.S.A. to review staff requirements on the basis of more or less scientifically determined work load in the interest of economy and efficiency—considerations which are obviously of special concern to the Ministry of Finance. The Central O & M Division, on the other hand, has primarily concentrated on watching the progress of disposal and suggesting measures for improvement of quality and speed, simplifying and improving office procedures, examining administrative causes of delay, collating reference material for ‘establishment’ work, experimenting with the staffing structure of the primary unit of work—a section—, and looking into special organizational problems common to certain Ministries and Departments. There is apparently much ground common to both the Central O & M Division and the Special Re-organisation Unit; at present both of them keep a regular contact with each other and try to work in close co-operation. Overall co-ordination in matters of policy is effected by the Central Economy Board which consists of Cabinet Secretary (Chairman); Secretary, Ministry of Home Affairs; Secretary, Department of Expenditure (Finance Ministry), and the Director, O & M, Cabinet Secretariat. The main function of the Special Re-organisation Unit of the Economy Division of the Ministry of Finance, as reconstituted in 1957, is to use “the technique of ‘work-study’ for investigation which normally comprises— (a) a study of the organisational set-up, delegations, span of control of superior officers, etc.; (b) analysis of operations; (c) a programme of work simplification and standardisation, where possible; and (d) evolution of standards of performance and hence staff requirements”. (Third Annual Report of O & M Division, Cabinet Secretariat, p. 21.) The reference to “delegations, span of control of superior officers, etc.” has obviously a relevance here only to work study. Apparently, studies of the top organisation and services structures do not fall within the purview of either of them; the Ministry of Home Affairs appointed an Officer on Special Duty in September, 1956, to look into the question of the services re-organisation, etc.

Emphasis on O & M work has been declining in the U.S.A. in recent years ; new tools of management, of government, such as operations research, electronics and human relations are coming into prominence. In order to enhance and extend its utility, the role of O & M in Government in India will have to be clearly defined and the administrative arrangements for it planned and reorganised on a

more scientific basis. The two important problems here are (1) how to integrate the work of the Central O & M Division with that of the Special Re-organisation Unit ? and (2) in what administrative agency should be placed the responsibility for higher organisational studies ?

For the latter purpose it might be advantageous to have a *standing* Cabinet Committee for Re-organisation, assisted by an O & M Committee of Secretaries of appropriate Ministries and Departments. An *ad hoc* Cabinet Committee on Administrative Re-organisation was appointed in 1953 to examine the recommendations made in the first Appleby Report. The concept of 'O & M' is much wider and more comprehensive than the one of 'Economy' or 'Work Study' and hence the need for an 'O & M' Committee of Secretaries, which might have a sub-committee on economy. In the U.K., a Committee named Government Organisation Committee, composed of a number of permanent secretaries of the Departments under the leadership of Permanent Secretary of the Treasury is at the peak of its O & M organisation. This committee has overall and surveillance responsibilities for effective organisation of government machinery as a whole and O & M activities in particular. The establishment of the two Committees proposed earlier will also help to resolve the first problem; they may, with the assistance of the Central O & M Division, lay down the broad policies within the framework of which the Special Re-organisation Unit may carry out work studies. The basic work for higher organisational studies (including allocation of functions between Ministries and departments, control of proliferation of government departments and offices, problems of high-level coordination, delegation, etc.) should be undertaken by the Central O & M Division, considering that the Special Re-organisation Unit has a clearly limited function in matters of determination of work loads and staff complements.

We may also have an Advisory Panel of O & M Experts, drawn from industry, the Defence Services and public life to advise the top O & M organization in its work and to keep it informed with the O & M problems and developments outside the government.

What we need today is an integrated approach to the O & M problems in government and an integrated machinery to tackle them. The main purpose of O & M in government is to secure maximum efficiency by overhauling organisation and work methods; surprisingly enough the O & M machinery and techniques today themselves need streamlining.

New Delhi,  
September 17, 1958.

Yours faithfully,  
R. Dwarkadas

## RECENT TRENDS IN PUBLIC ADMINISTRATION IN INDIA

*[The various sub-heads in the feature have been dropped for the facility of analysis; the size too has been reduced to give a more compact bird's-eye view of recent developments and events in the field of public administration in India.—Ed.]*

An important recent development in the field of recruitment policy has been the acceptance by the Government of India, with some modifications, of the recommendations of the Public Services (Qualifications for Recruitment) Committee, presided over by *Shri Ramaswamy Mudaliar*. Under the decision taken by the Government, a university degree will no longer be an essential requirement for recruitment to all clerical, Central Class III and State Subordinate non-clerical services; candidates appearing for the Upper Division clerical and Central Class III non-clerical services need now possess only intermediate, senior Cambridge or higher secondary certificate or equivalent qualifications. A university degree will continue to be an essential qualification for other services—all-India and Central Class I, Central Class II (gazetted and non-gazetted), State Class II (gazetted) and State Subordinate (gazetted) services. For Central Class II (non-gazetted) and State subordinate (gazetted) services the age-limit will be 20 to 24 years; for State Class II (gazetted), 21 to 24 years. In order to reduce the number of entrants to a manageable size and thereby improve examining standards, the Government has also decided that no candidate would be permitted to appear more than twice at any open competitive examination.

The recent emphasis on the creation of all-India cadres continues.

The Irrigation and Power Team of the Committee on Plan Projects has, in its report on the Chambal Project, favoured the creation of an All India Reserve of Officers who could be utilised to strengthen the projects as and when necessary, since each State cannot appreciate the overall situation.

Some basic and far-reaching changes are under way in the nature and scope of the training programme for the various categories and levels of community development personnel. The new pattern of training will cover the training of administrative and technical key personnel (including Collectors, Heads of Departments, Development Commissioners, etc.) at the Central Institute of Study and Research in Community Development, (the first batch of 31 officers including some non-officials has already finished its training); orientation training at common centres for Block Development and Extension officers; job training in specialised training institutions; refresher courses for all Block functionaries and district heads of technical departments concerned; and the establishment of a training centre for instructors, principals, etc. The Village Level Worker will now undergo a two-year *integrated* course, instead of 18 months' as at present, and basic agricultural schools and extension training centres will be combined with a view to achieving higher standards of training for the V.L.W.

The U.P. Government has constituted a State Board of Technical Education and Training; Mysore has appointed a Co-ordination Committee on Training to review from time to time the working of the training institutions and has formulated a scheme for training of new recruits to ministerial posts.

The second session of the Administrative Staff College, Hyderabad, commenced on June 13, with a complement of 36 student-members as against 30 in the first session. It has 8 members from the Central Government, 4 from nationalised industries, 8 from State Governments and 16 from the private sector.

Manpower studies continue to receive increased attention. The Governments of Bombay and Mysore have recently set up study groups and the Planning Commission has appointed a study group on Womanpower to assess requirements of women personnel in education, health, social welfare, etc. A Committee has been set up by the Union Ministry of Education to examine the existing system of education in commerce with reference to the needs and resources of a developing economy. In the context of manpower shortages, efforts are being increasingly directed to utilising the existing manpower to the maximum. The Union Public Service Commission has agreed to treat all persons, included in classified lists of Indian scientists and technologists abroad, prepared by the Council of Scientific and Industrial Research, as "personal contact" candidates for selections for which they may appear to be *prima facie* suitable. The Bombay Government has issued instructions that extensions up to 58 should be granted to technical personnel belonging to Class II and III Services.

The Kerala Government has revised pay scales for its employees, both gazetted and non-gazetted, effective from April 1, 1958. The basic minimum has been raised to Rs. 30 and, the maximum, excepting in a few cases, limited to Rs. 1,000. A new lowest-grade recruit will now get a total remuneration of Rs. 67. The Government has also sanctioned to all employees one advance increment for a service between 10 and 20 years, two advance increments for a service between 20 and 25 years, and three for a service of 25 years or more. The Government of Andhra Pradesh has set up a Pay Revision Committee to enquire into the existing structure of pay scales and service conditions of Government employees, drawing a pay of Rs. 250 or less, excluding employees in State industrial undertakings. For the latter, the Government has decided to fix a minimum total wage of Rs. 50 (basic pay of Rs. 26 plus a dearness allowance of Rs. 24), exclusive of house rent allowance. The minimum pay scale would be Rs. 26-1-30. Jammu & Kashmir has appointed a Committee to go into the pay structure and to advise on measure necessary for toning up the administration.

The Committee, appointed by the Railway Board in February last year to report on promotion avenues for Class IV railway staff, has recommended that the different cadres in the various departments of the Railways should be fixed in such a manner that each employee can reasonably expect to get the first promotion before he has put in 12 or 13 years of service. It has made detailed recommendations in this regard and further proposed that training should be imparted to various categories of staff to equip them for promotion. The recent trend has been towards the extension of staff welfare facilities

and benefits, and a simultaneous tightening up of administrative control over personnel in matters of joining staff associations, participation in strikes, neglect of responsibilities, etc. The Central Government is considering how far the Government Servants Conduct Rules should apply to personnel employed in departmentally-managed commercial and industrial state enterprises. These Rules were amended some time ago to prohibit participation in strikes on the part of Government servants and to ban their joining unrecognised staff associations. The prohibition of strike, as provided in the Bihar Government Servants Conduct Rules, came up for consideration recently in the Patna High Court in *Bihar Ministerial Officers Vs. State of Bihar*. The petitioners had contended that this restriction affected the right of freedom of speech and expression and the right to form associations guaranteed under Articles 19(1) (A) and 19(1)(C) of the Constitution of India. The Court held that the prohibition to take part in strikes or demonstrations was made in the interest of public order within the meaning of Articles 19(2) and 19(4) of the Constitution, and was also reasonable within that meaning. The Government of *Bombay* has decided to take action against officers who repeatedly fail to take decisions on matters within their powers and make needless references to their superior.

The O & M trends in the recent months have been in the direction of greater devolution and delegation of powers, attempts to reform administrative procedures and organisation, and measures for economy.

The most important development relating to devolution has been in the field of financial control at the Centre; expenditure control hitherto exercised by the Department of

Expenditure, Ministry of Finance, has, to a considerable extent, been decentralised. The major scrutiny of the estimates of expenditure will be exercised by the Finance Ministry before the budget is framed. Generally, once provision has been made in the budget on the basis of estimated requirements by broad sub-heads and approved by Parliament, administrative Ministries will be free to sanction and incur expenditure (up to Rs. 50 lakhs in each case) without further reference to the Finance Ministry. But in the case of large schemes costing more than Rs. 50 lakhs and of contracts involving substantial sums or an unusual feature, they will continue to consult the Finance Ministry. Internal Finance Advisers will be posted to each Ministry to ensure that the wider powers now delegated are exercised with due regard to financial principles.

In pursuance of the recommendations of its Administrative Inquiry Committee, the Rajasthan Government has delegated larger powers at all levels of administration. It has also decided to form study groups of officers to study in detail the administrative procedures obtaining in other States. In *Mysore*, a 4-member sub-committee has been appointed to consider the question of introducing a common office procedure for the offices of the State Revenue Department. The *Delhi* Municipal Corporation has set up a nine-member committee to devise ways and means for eliminating red-tape in its administration.

The new administrative organisations, agencies and departments, which have either come up or are in the process of formation, include a Motor Vehicles Department in *Kerala*; a Central Board of Fisheries; the Central Transport Development Council; the Road and Inland Water

Transport Advisory Committee; and the Central Transport Co-ordination Committee. The Union Law Ministry has been reorganized into two departments—the Legal Affairs and the Legislative. Important among the Committees recently set up by the Government of India are : (1) an *ad hoc* Committee, with *Shri M.R. Masani*, M.P., as Chairman, to conduct a comprehensive enquiry and make recommendations for the re-organisation of administrative set-up for transport in States; (2) a high level Committee, under the chairmanship of *Shri B.K. Gokhale*, to review the organisational structure of the Central Water and Power Commission; and (3) a Committee, under the chairmanship of *Shri Mahavir Tyagi*, M.P., to advise on the administrative organisation and procedures necessary for implementing the integrated scheme of direct taxation with due regard to the need for eliminating tax evasion and avoiding inconvenience to the assesseees.

Apart from the establishment of a central training institution (mentioned earlier) the most important recent developments in the field of community development have been the convening of a national conference on community development; advance towards democratic decentralisation; and intensification of efforts for effective participation of non-official organisations and individuals in the community development and national extension service programmes and a re-thinking about the exact role of the panchayat in rural development.

The annual Conference on Community Development, which met at Mount Abu from May 20 to 24, recommended that the Gram Panchayat should be made responsible for planning and implementing the community development programme

and for promoting agricultural production; a portion of the Block funds and of the land revenue should be allotted for its development works; and the administration of the panchayat be organically integrated with the Development Commissioner's organisation from the State headquarters down to the village level. The Village Level Worker, however, should not be the Secretary of the panchayat, but should assist it in implementing its development programme. No separate cadre for B.D.Os. should be created by the States, and the I.A.S. and State Civil Service Officers should work as B.D.Os for one year as a part of their normal field training. The B.D.O. should have the status of a gazetted officer. Wherever a whole *taluk* was covered with Blocks, departmental officers other than the Extension Officers should not normally be necessary and the latter should do both administrative and extension work, always giving priority to the latter.

Further progress has been reported in the direction of democratic decentralisation of local government. Twenty *ad hoc* Panchayat Samitis, at the rate of one in each district, were inaugurated on July 1 in *Andhra*. *Assam* intends to bring forth legislation for the establishment of panchayats at the block and 'union' levels; *Jammu & Kashmir*, for Advisory Block Panchayat Boards; and *Mysore*, for advisory Taluka Boards (for national extension blocks) and District Development Councils. *Madras* will have supervisory coordinating Panchayat Union Councils at the block level and advisory co-ordinating Councils at the district level. *U.P.* has set up *interim* district councils to take over the functions of district boards, the district planning committees and the work connected



with the community development. The State Governments of *Madhya Pradesh* and *Rajasthan* have established committees to work out detailed proposals in the matter.

Increasing efforts have been directed in recent months towards enlisting the support of non-official organisations, in social and economic fields, in the community development programme. An understanding has been reached with the leaders at higher levels of the *Gramdan* movement but it is still to spread to the grass-roots level in village. The Central Committee on Community Development has recently also accepted in principle a proposal for participation of non-official organisations and workers in the community development programme. Groups of workers from organisations as well as individuals, who are keen on participating in schemes for rural development, would be assisted by Government in respect of

training by provision of instructional literature, etc; the training camps to instruct these workers would, however, be organised by the organisations themselves.

The need for entrusting the panchayat with the entire responsibility for rural development was emphasised at a recent meeting of the Central Committee on Community Development. The Committee was opposed to the idea of an unduly large area being covered by one Panchayat. The Orissa Gram Panchayat Inquiry Committee has recommended that the size of a panchayat should correspond to a block so that one village level worker might be available for each panchayat. That Committee finds that the panchayats need more financial support than what is at present provided, and suggests that all panchayats should levy compulsorily a panchayat tax as provided in the Orissa Gram Panchayats Act, 1948.

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## NEWS FROM ABROAD

The First Regional Conference on Public Administration, held in Manila (Philippines) from June 7 to 21, was attended by Australia, China, India, Indonesia, Japan, Korea, New Zealand, Pakistan, Philippines, Singapore and Vietnam. The agenda for the Conference included : (1) Administration of Economic and Social Planning and Programmes (central and local governments); (2) Education, Recruitment

and Training for the Public Service (central and local governments); and (3) Proposals for the Creation of a Permanent Institution of Public Administration in the Region. The Conference decided to establish a permanent Eastern Regional Organisation for Public Administration (*EROPA*), subject to the agreement of a majority of the countries represented at the First Regional Conference to join the regional organisation.

The major organs of the Organisation will be the General Assembly, the Executive Council, the Secretariat General, and the Technical Services for Training and for Research and Documentation. Provisionally, the Secretariat would be in the Philippines, the Research and Documentation Centre at Saigon and the Training Centre in India. The general objectives of the *EROPA* shall be: to promote the adoption of more effective and adequate administrative systems and practices in order to advance and implement the economic and social development programmes of the Region; to develop an increasing appreciation of the value and importance of public administration; to advance the frontiers of the science and art of governmental administration in the Region; to develop managerial talent, especially at the executive and middle management levels; to foster the professionalization of public administration in the Region; and to foster affiliation, and maintain liaison, with universally recognized international bodies for public administration.

In the U.K., H.M.'s Government has decided to set up a Defence

Board and to expand the Cabinet Defence Committee. The Standing Committee on the Pay of the Higher Civil Service will carry out a general review of Higher Civil Service pay next autumn.

A "Career Executive Programme" for the Federal service, based on the recommendations of the Hoover Commission for a 'senior civil service', has been authorised by the President of the U.S.A. The programme will be supervised by a 5-member Career Executive Board; and its principal objects are to (1) improve methods of selecting and utilizing high-ranking career employees in administrative and managerial posts; (2) facilitate transfer of executives to agencies where they are most needed; and (3) provide them with rewarding career opportunities and greater prestige.

The U.S. Congress has approved 'A Ten-Point Code of Ethics for Government Officials'. The Code enjoins the Federal official, among others, 'never to accept, for himself or his family, favours or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties'.

## INSTITUTE NEWS

With the inauguration of a Regional Branch in Orissa on August 9, the number of Regional Branches has increased to 3. The total Ordinary membership of the *Institute* on September 1 was 1028, Corporate membership 75 and Associate membership 10.

The Executive Council of the Institute has re-elected *Shri Gurmukh Nihal Singh*, Governor of Rajasthan, as a Vice-President for a period of 2 years. The new Members of the Council include *Shri Vishnu Sahay*, I.C.S., Union Cabinet Secretary and *Shri N.N. Wanchoo*, I.C.S., Secretary, Union Department of Expenditure in the Ministry of Finance.

The fourth lecture in the series on "Expanding Government" was

given on June 5 at the Institute's premises by *General S.M. Shrinagesh*, Principal, Administrative Staff College, Hyderabad, and, formerly, Chief of the Army Staff; he spoke on "Defence Organisation". *Shri V.K. Krishna Menon*, Union Minister for Defence, presided.

Under the Institute's Foreign Fellowships Scheme, four officers from States have been sent abroad for advanced training in O & M; this includes training courses in the subject at the British Treasury.

The members of the teaching staff for the proposed School, scheduled to begin in October, are at present in the United States or Europe, engaged in a specialised study of their respective subjects.

## DIGEST OF REPORTS

*THE MYSORE ADMINISTRATION—Some Observations and Recommendations:* By Shri A. D. GORWALA. Bangalore, Director of Printing, Stationery and Publications, July 1958, 78p.

Shri A.D. Gorwala, I.C.S. (retd.) was requested in September last by the Government of Mysore to examine the administrative structure of the various government departments and to make recommendations with a view to increasing efficiency and enforcing economy; and to suggest steps for the efficient administration of the existing taxation laws and state enterprises, etc. The important observations and recommendations made by Shri Gorwala, in his report submitted to the State Government in May 1958, are given below, mostly in his own words :

### 1. General Observations

#### (a) The Basic Approach

(1) All (administrative) systems are capable of improvement. None is perfect for all time. Change to meet altered circumstances is always desirable. Yet no amount of change can really produce good government if the two basic essentials are lacking. These are personal integrity of the administrators and the moral sense of the citizenry.....The second affects the first, in the sense of preventing perhaps the grossest excesses that result from absence or failure of personal integrity in the ruler; but the first can have a much greater effect on the second. Where there is integrity in a government, the probability of growth of moral sense among the people is undoubtedly greatly enhanced.

(2) Personal integrity so requisite for those partaking in government includes, besides honesty in the

pecuniary sense, complete dissociation from nepotism, favouritism, communalism or casteism. It also means intellectual honesty, a desire to reach decision on merits alone, unaffected by prejudice or predilection, a willingness to take into consideration honest opposition to one's own views without fretting or being vexed. It may be summed up as being imbued with public virtue, that which makes the mind of the individual regard every action from the point of view of the benefit of the people as a whole.

#### (b) The Problem of Delay in Government

(1) The most frequent complaint, the one most bitterly voiced, against Government in Mysore is that of delay... In the circumstances of Mysore, "what is not continuously inspected is not done as quickly as it should be".

(2) For delay in particular instances there can be any number of reasons—faulty organisation, unnecessary duplication, lack of delegation, error in distribution of work, insufficiently trained staff, etc. When delay is general, covering every field and almost every authority, the reason goes beyond these specific causes; then, the cause really is failure on a large scale to understand the responsibility which the government and administration owe to the people.

(3) The responsibility for eliminating delay is primarily that of the heads of offices and departments,

including the Divisional Commissioners, D.Cs., Superintending Engineers, etc. They can do this by devoting time to it specifically, rigorously inspecting the work of their subordinates, explaining to them where they go wrong, and insisting on their doing it as quickly as it should be done... More often than not delay is the result of general slackness and all that may be necessary is to make the staff understand fully that slackness will in future bring quick retribution.

(4) When an outside organisation is specifically designated for inspection work, the natural tendency of the head of the office is to regard inspection as no part of his own duty. Enquiries from those competent to know and judge invariably elicit the reply, that because of the Efficiency Audit, no departments and offices are more efficient than they were; rather that many today are less efficient, on account of the absence of interest, in this matter, of those most intimately concerned. This side of the Efficiency Audit organisation, then, is otiose and should be abolished.

(5) The Chief Secretary should devote one afternoon every week to inspecting, in any department selected at random, the Secretary's work and perhaps the work of one or two branches. Similarly, each Secretary should devote one afternoon a week to inspecting at random one or two branches in his own department and his Deputy Secretary's work.

(6) Delays caused by Ministers fall into two classes : a Minister keeping a file because he cannot make up his mind or because he does not wish to deal with it for any other reason, and the holding up of matters in cabinet because that body for reasons known to itself or to some

member of it does not wish to take a decision. The first cause can be dealt with by the Chief Minister taking from time to time, not less than once a month, a tally of all the files pending with each Minister and urging the prompt disposal of any that may have remained for more than a week. The second kind of delay is difficult to deal with unless it is realised that occasionally the will of the majority must be allowed to prevail and unanimity need not invariably be sought...Government by cabinet is never successful until there is a readiness to accommodate, and every member does not insist on having every single aspect of his own views accepted.

#### (c) Corruption and Extravagance

(1) Of corruption, one of the most potent causes is delay. The people are tempted to obtain at least some degree of promptitude by irregular measures such as the making of presents in cash or kind. The only way in which it can be abolished or at least discouraged seriously is by the head or the deciding authority taking special pains to see that every matter comes up in proper time, that the orders are also conveyed in proper time, and that payments, for instance, of recurrent grants, etc., are made on the due date without the necessity for special requests and intervention.

(2) An anti-corruption organisation, under the direct aegis of the State Government, can play a useful role, provided it does not dissipate its energy on thousands of petty complaints but concentrates on a small number of important cases.

(3) The practice of keeping motor cars, that has crept into the living standards of officials on moderate salaries, is a direct inducement to corrupt behaviour. Government

should prohibit any official whose basic salary is below Rs. 500 from owning a motor car. Positive orders forbidding this practice would be a boon to all middle grade Government servants.

(4) A species of corruption, generally not recognised as corruption, is extravagance in spending public funds. Of extravagance the one simple criterion is the first canon of financial propriety. No person entrusted with, or having authority over, public funds should spend them in any way in which a careful and prudent man would not in the circumstances spend his own money. A Government that is extravagant in a country as indigent as India deserves indeed the severest condemnation.

The Mysore scene looked at from this point of view presents a discouraging picture. There is the glaring example of the *Vidhana Soudh*. There is a feeling today in many parts of the country, including Delhi, that the putting up of buildings and the spending of large sums on them makes for prestige and betokens a high stage of development. Nothing could be more mistaken. Such spending only symbolises ostentation and disregard of true public welfare. The quality of work done rarely depends upon the magnificence of the building in which the worker is ensconced, and there can be little doubt that many a department or office housed in hutments did work of a very high order, often infinitely superior to that turned out by it in later years from some highly expensive, ornately decorated new edifice.

(5) Within the range of extravagance come too the hospitality arrangements of the Government of Mysore. The number of entertainments given by Ministers at public cost is too large. Equally extravagant and unjustified is the maintenance

of guest houses and the putting therein of large numbers of well-paid and high-allowanced dignitaries free of cost, and all other officials and influential visitors at much less than the usual hotel charges. There can be few more wasteful ways of using the Chief Secretary's and his staff's time and energy than compelling him and them to be responsible for these hospitality arrangements and making him occupy his mind with the many trifling points that arise in connection with them. The Residency and other guest houses ought to be closed down, the buildings being utilised for public purposes, or if not needed for them, leased or sold. (Sale would be best for the buildings at Ootacamund).

(6) The present practice of touring of government authorities, Ministers and high officials places a great burden upon subordinate officials. The subordinate official should, in fact, be treated as an official alone, concerned solely with official work, and in no case responsible for the bodily comfort or private arrangements of the person touring.

## II. The Secretariat and the Services

(1) In the circumstances of Mysore, the Chief Secretary has to carry a very special burden in addition to his normal duties, he must function as a most competent 'Inspector-General', devoting attention to all important administrative matters throughout the State. He should therefore be assisted by a competent Special Secretary, who can look after a good deal of the paper work in consultation with him.

(2) The two weakest links in the Mysore Secretariat chain are the Secretaries and the First Division Assistants. With rare exceptions,

the Secretaries are much below the standard, to be expected from men in that rank, in matters of initiative and taking responsibility for decisions. If work is really contemplated, most of the amiable gentlemen now filling secretaries' chairs should be replaced by men of a sterner calibre, more forthright and industrious, the force of whose example combined with their readiness to inspect rigorously and punish without fear or favour, could bring about considerable improvement both in quality and speed.

(3) (i) Mostly, Assistants are content to summarise the paper under consideration, and add a stray remark or two. They impede the movement of the file by holding it up for several days while they are making up their minds as to what exactly to say in the unnecessary summary. Assistants serve no useful purpose, and if possible some other instrument must therefore be used for getting the work done effectively and promptly. The Superintendent unfortunately is not such an instrument, being a promoted Assistant himself. Secretariat noting, being responsible work, might begun at the Under Secretary's level, relevant papers being just collected and put up by the Second Division clerks. A section would thus consist of an Under Secretary with three or four second division clerks. The number of Under Secretaries would have to be increased but the cost of their increase would fall well within the amount that would be saved by the abolition of Assistants and the reduction in the number of Superintendents. (ii) The new Under Secretaries should be recruited by examination from at least second class Honours graduates below 26, the emphasis being not so much on possession of knowledge as on quality of mind. (iii) The new arrangements would help to ensure that the initial

steps in every case are taken by capable and understanding men, who bring to bear initiative and imagination on their work, and there would be a chance of breaking away from the deadening routine that dominates so many State Secretariat Departments today.

(4) In order to preserve the 'memory of the department', all employees upto and including Under Secretaries should not be transferred for three years, save in very exceptional circumstances, from the departments to which they are originally allotted. Apart from destroying initiative, frequent transfers lead to a superficial approach to work. However, in some appointments, *e.g.*, establishment work, a long tenure might tend to the misuse of the influence that quite often seems to gather round them; those engaged on such work should, after a 2-year period, be transferred to other work in the same office, or better still, in allied offices. Officers of the State administrative services should not stay in the Secretariat for more than 4 years.

(5) Under Secretaries and selected Assistants should, after some years of service, be sent out for a year or two to the field offices connected with their departments. Men in Secretariat are apt to get detached from reality, and no man ought to pass or suggest orders without realising the impact that his orders will have on the people who have to carry them out in places far away from the comfortable Secretariat where they were passed.

(6) The habit of wanting to see all or almost all files, into which some Ministers and Secretaries fall, obsessed by their belief in their own capacity, cannot but be deplored. Modern administration is impossible if a Minister or body of Ministers attempt to do all the work themselves

...Once powers have been delegated, the higher authority should interfere only on appeal. Otherwise subordinate officials hesitate to exercise the powers they possess, and the result is delay. So, too, to delegate powers and then continually to ask for reports about the use of such powers is to defeat the whole object of delegation.

(7) The State Public Service Commission should confine its attention to gazetted posts except for offices in Bangalore. Non-gazetted appointments outside could be filled by Divisional Committees under the chairmanship of the Divisional Commissioners.

(8) (i) Files in the Mysore Secretariat, even pending and current files, have a strange facility for losing themselves. The movement of the file should be registered in the section at all stages, even when it moves from the Under Secretary upwards. (ii) Very little attention is paid to the order concerning arrear lists in some departments of the Secretariat. The weekly list should be prepared every Saturday and seen and attended to by the Secretary himself before Monday afternoon. The monthly and quarterly lists seem to serve merely the purpose of compilation and may be abolished.

(9) For all those engaged in public business, the observance of proper office hours is imperative. Otherwise, not only is work affected but the public is greatly inconvenienced. Even Ministers ought, whatever the political pressure on them, to try and keep to proper office hours, attending their official place of business regularly and promptly. The fact that Secretaries and other high officials do not necessarily leave office, or complete their work, on the expiry of the office hours, does not absolve them from proper attendance in office. In fact, they should

make it a point to be punctual, because their example has a great deal of effect on the behaviour of those working under them.

(10) The Mysore Government may ask the Central Government that its administrative strength should be enhanced by the transfer of some suitable officials to it. Members of the all-India Services are meant to serve anywhere in India and there is no reason why there should be, for instance, 28 members of the Indian Civil Service working in Bombay as against only one in Mysore.

### *III. Departments*

(1) Among the important changes suggested for achieving greater homogeneity in work distribution among departments are the transfer of 'law and order' and 'passports' to the Home Department from the General Administration; 'all taxes' administered by the Commissioner of Commercial Taxes to the Finance Department from the Revenue Department; and 'house rent control' and 'evacuee property' to the Home Department from the Revenue Department; 'community development projects', 'national extension blocks, etc.' to the Revenue Department from the Planning and Development Department and 'planning' to the Chief Secretary, who is also the Development Commissioner, and the abolition of the Planning and Development Department.

(2) The present 19 districts of Mysore State can be comfortably reduced to 16. These 16 districts will fall naturally into three Commissionerships instead of the present four. The usual tenure for a Commissioner ought not to be less than three years. The Commissioner's supervision should not be limited to the Revenue Department; all that



happens in his division, especially in governmental activities in his division, should be of interest to him.

(3) A good Information Department, besides giving publicity to the activities of Government, should bring forthwith, to the notice of the appropriate department of government, any criticism that appears in the Press. If the criticism is erroneous, it should issue a specific reply saying so and pointing out where and how the critic has gone wrong. If it is correct, it should urge the department promptly to take remedial steps; and if the department agrees, admit the error and state what is being done to repair it.

#### IV. Finance and Taxes

(1) The present debt position reinforces the need for economy. Whatever relief can be obtained from the Central Government should be welcome, e.g., extension to 50 years of the period of repayment of all loans made to the end of the Second Plan and reduction in the rate of interest to 3 per cent, wherever higher.

(2) When the period of Central assistance is over, the recurring cost on schemes assisted by the Centre has still to be met by the State alone. The State, if it does not exercise its own judgment and discretion, may well end by finding that, as a result of acceptance of Central assistance in many matters, it has imposed on itself a tremendous burden with little corresponding benefit.

(3) In the light of the financial condition of the State a good deal of the expenditure on the new items outside the Plan must be either brought into the Plan, or postponed or omitted.

(4) Some other economies of a general nature too must be adopted. Important among them are : discon-

tinuance of all special pays; abolition of deputation allowance, and non-practice allowance; the scale of travelling allowance to be based on salary, irrespective of rank; and refixation of staff complements in offices after a detailed examination by a small unit of 3 to 4 persons, specially selected, working under the personal guidance of the Chief Secretary.

(5) One of the principal causes of arrears in land revenue and other taxes is interference, through formal stay orders or merely through word of mouth instructions, by those in authority, Ministers or Secretaries, with those whose duty it is to make the collections. Interference can also be at the assessment stage. In both cases it is extremely demoralising. The responsibility for assessment and collection is the executive's and should invariably be left to it. If there is failure, the executive should be taken to task for it.

(6) A serious blow to Mysore finances would be the extension of Prohibition to the whole of the State. Reports from the territories under Prohibition in this State are as eloquent about its failure as those in other parts of India, where for ideological reasons it has been made into law. The correct policy would be to abandon Prohibition in the areas where it has been introduced, taking care to popularise temperance as much as possible. To extend it further and lose for no purpose nearly Rs. 3 crores a year would in the circumstances of Mysore be an error of the first magnitude.

#### V. Industries

(1) Despite the high yields of some state-owned industrial concerns, the overall management is truly not efficient, as apart from personal factors, the organisation is defective. A Board of Management for the Iron

and Steel Works, another Board of Management for other industrial concerns, both with the Industries Minister as Chairman and several officials and legislators as members, can scarcely provide the flexibility, judgement, detachment from politics, and initiative in action that are necessary for successful management.

(2) An autonomous 5-member Board of experienced non-officials, set up by executive order, would be a solution. The Chairman could be full-time and remunerated accordingly, and the members advising at Board and Committee meetings and receiving Directors' fees. Following the usual and well considered practice of organisations intended to be independent, both in this and foreign countries, members of the legislature would, of course, not be eligible. The Board would have powers to appoint and dismiss all servants of the organisation. The Board would try and keep its working flexible, reducing paper work as much as possible, visiting and deciding on the site... Integrity, disinterestedness, ability and experience should have preference over all other considerations in the choice of members.

## *VI. Village Development*

(1) Opinion in Mysore is almost unanimous about the failure of the community development and extension projects. Except for those professionally compelled to defend them, it is difficult to find a single person who has anything particularly favourable to say about them. This is so quite as much on the site as in the city... From the point of view of achievement, the community and extension project, on its present extended scale, has been a failure... Unless it is felt that the provision of employment to all those working on these schemes, from the Bangalore to the village end, is a worthwhile

purpose in itself, this must be regarded as one of the most wasteful forms of expenditure in the country.

(2) The missionary spirit is not a thing that can be taught. To expect it to operate on country-wide scale for long dreary years is in any case futile. When it is realised that almost all those engaged for the work are men and women as good or bad as any others, and that if it enabled them to earn a livelihood they would willingly have gone into any other government department they could get into, the folly of regarding them as starry-eyed adventurers on a high mission, and of expecting from them behaviour of the kind that would be appropriate in such rare individuals, becomes obvious.

(3) Though the Government of Mysore receives a large part of the money spent on it from the Central Government, yet it has to invest a good deal from its own revenues, and also to borrow considerable sums for it. In the circumstances, whatever the Government of India's views, Mysore might well consider it desirable to take its own line. The 'uplift' side should be dropped completely. What is needed in the countryside is pure water supply, primary education, improvement in agricultural technique and methods, some attention to sanitation and health. Direct allotment of funds for these specific purposes, directly utilised, under proper supervision, is far more likely to prove useful.

(4) Nor must a fetish be made of participation. Government and the cities owe too much to the rural areas, the countryside has been deprived of too much for too long, for it now to be argued that what needs to be done there will not be done unless the villager himself comes forward to bear a part of the cost. He may, of his own free will, on seeing good work, sincerely done, offer to

do so. Then, his participation should be welcomed. He may, on the other hand, keep away. That would be no good reason for Government's not doing what is necessary. If anything is to be salvaged from

the community development wreck, it can only be done by integrating the attainment of the basic economic benefits expected from it into the ordinary administration of the State.

**KERALA GOVERNMENT; ADMINISTRATIVE REFORMS COMMITTEE REPORT**, Vol. I, Part I. Trivandrum, Government Press, 1958, vii, 157p.

The Committee was set up in August 1957 by the Government of Kerala under the chairmanship of *Shri E.M.S. Namboodiripad*, State Chief Minister. *Prof. V.K.N. Menon*, Director, Indian Institute of Public Administration, was one of the members. Its terms of reference covered "to review the working of the administrative machinery as at present organised and the systems, procedures and precedents under which it functions with a view to assessing their adequacy for a democratic Government in a Welfare State"; and to suggest measures calculated to improve administrative efficiency for the co-ordination of the activities of the different Government departments and for the avoidance of overlapping, for decentralisation of powers at various levels with a view to expeditious despatch of Government business, and for democratisation of the organs of Government at the various levels with a view to effective participation of local self-governing institutions or other representative bodies in the administration.

The more important recommendations of the Committee, of general administrative interest, are given below :

### **I. General Observations**

(1) There is need for establishing democratic bodies with substantial powers from the level of the village upwards. Arrangements

should exist for the association of the people's representatives with the administration either in an advisory capacity or in a more positive manner according to the importance of the level and the nature of the activity. In matters of development these democratic bodies should have a definite and responsible role both in planning and in ensuring execution.

(2) The guiding principles of administrative reform should be (i) to delegate greater and greater authority to the lower units of administration, consistent, of course, with the necessity for centralisation in matters of broad policy, (ii) to associate the elected elements at every level of the administration, (iii) to ensure co-ordination of the activities of officials at all levels, (iv) to improve the morale and social purposiveness of the Services, (v) to effect proper adjustment of relationship between officials and non-officials, and (vi) to provide, in general, for the canalisation of the democratic spirit for constructive work.

### **II. The Panchayats**

(1) Panchayats should be made the basic units of administration. That, however, does not mean that Panchayats should (or could) exercise the same degree and extent of powers in respect of all matters. Their functions may be divided into three categories : (i) those for which they would have full devolution of powers; (ii) those for which they

would function as agents of Government with executive delegation of powers; and (iii) those in respect of which their role would be advisory. The first category should cover functions which they can perform with their own resources and staff, viz., the civil functions; the second group would include 'social service programmes' and 'development work'. As Panchayats gain experience, the scope of their activities will increase. There should be a continuous search to effect greater delegation.

(2) For the proper exercise of their mandatory functions the Panchayats may be assigned the sources of revenue listed in the draft Kerala Panchayat Bill, and for functions for which the Panchayats will be given executive responsibility specific grants for each subject should be made, equivalent approximately to the amount of expenditure that would have been incurred by Government.

(3) The village revenue establishment may form part of the Panchayats which may be made the agents for the collection of land revenue. The present Village Officer may function as the Revenue Officer of the Panchayat, and the Village Assistant or the Menon as the Revenue Assistant. Fifty per cent of the basic tax collected by the Panchayats may be allotted to them and the remaining 50% of the total for the State may be distributed to the Panchayats on the basis of needs. Two members of the Committee—Shri G. Parameswaran Pillai and Professor V.K.N. Menon—have recorded a note of dissent against transfer to the Panchayat of the duties now devolving on the Village Officer in relation to land revenue matters, such as collection of land revenue, maintenance of land records, initiation of proceedings regarding land encroachment, land assignment, etc.

(4) It is undesirable that the budget of a democratic body should be approved by a higher body like the Panchayat Samiti, as suggested by the Study Team of the Committee on Plan Projects. The Panchayat budget should be scrutinised by the Tahsildar (who will also be the Development Officer at the Sub-District level) before it is approved by the Panchayat.

(5) The Panchayats will have to employ their own staff for performing their mandatory functions. In order to link the Panchayats organically with extension and development work, each Panchayat may be given the service of a Gram Sewak who will function as its extension and development assistant. The Panchayat Executive Officer, Revenue Officer, Revenue Assistant, the Gram Sewak, the Health Assistant, and the staff of the institutions which will be transferred to the maintenance of the Panchayats may be recruited on the basis of district cadre and their pay and allowances may be borne by the State. A certain amount of administrative control over these staff should be vested with the Panchayats. These proposals will involve a complete re-shaping of the pattern and mobility of staff in the Panchayats and in the Revenue and the Local Bodies Departments.

(6) There should be one Panchayat for each revenue village but where the population is less than five thousand two or more villages may be conveniently combined. Panchayats should be constituted on the basis of direct election, by adult franchise, of one member for approximately one thousand voters.

### III. Sub-District Level

(1) The basic unit of all departments should as far as possible be a Panchayat or a whole number of Panchayats.

(2) The revenue and development functions may be combined at the level of the Taluk in one officer. The integrated unit may be called a Taluk and its Chief Administrative Officer, the Tahsildar. An area consisting of about a lakh to a lakh and a half of population would be the optimum area as the charge of a Tahsildar-cum-Development Officer.

(3) The existing Tahsildars should be given an intensive course of training in National Extension Service Programmes and similarly the Block Development Officers who have been recruited from departments other than Revenue should be given suitable training in revenue work. Future recruitment to the cadre of Tahsildars should be—(i) by promotion from staff employed for general administration; (ii) by promotion of the Extension staff in Agriculture and Co-operation; and (iii) by direct recruitment from the open market.

(4) (i) The Block Advisory Committee may be reconstituted and called the 'Taluk Council'. It may be formed by indirect election of one member from each constituent Panchayat, with a non-official chairman elected by the members of the Council. (ii) As the panchayats would be made the basic units of administration and invested with substantial powers, the work at the Taluk level, which will consist of only 10 to 15 Panchayats, will consequently be mainly one of co-ordination of the activities of the Panchayats. The committee at the taluk level may continue to be only advisory in its role instead of being a body with devolution of powers or delegation of executive functions. Without prejudice to their autonomous character, the Municipalities should also form an integral part of the Taluks (Blocks) in which they are included, and they should also be given representation in the Taluk Councils.

(5) Apart from official reports of progress, there must be an independent evaluation of performance, made from time to time, by small teams of non-officials in respect of each Block with reference to its co-ordinated community development programme and its prescribed periodical targets and achievements.

#### IV. The District

(1) Two sets of recommendations have been made based on two different views. One view is that it is necessary to have a non-official Council at the district level, which will function as an advisory body and as a co-ordinating agency in matters of development, and for the duration of the Plan period. All M.L.As. may ex-officio members of it; it may also include representatives of Panchayats and Municipalities, to be returned by indirect elections; and the Collector should be its Chairman.

(2) The second view is that the Council at the district level should not be merely an advisory body as at present, but should have power to take decisions and implement them so far as development work is concerned. It should be given the requisite finances and control over staff to fulfil this responsibility, as also the necessary administrative and financial powers. The Council may be constituted by direct election to be held simultaneously with the elections for Panchayats, and have a non-official President and a non-official Vice-President elected by its non-official members. All the District Officers of the Development Departments will be members of this Council without the power to vote. The Collector will not be a member of the Council, but will be kept informed of the progress of its work from time to time.

## V. Regional Offices

Regional officers will not serve their intended purpose if they function merely as a link in the hierarchy. They should be assigned specific powers and responsibilities in matters of financial and administrative control.

## VI. The Departments

(1) (i) It is necessary for the higher officers of Government and the Ministers themselves to develop a proper attitude towards delegation of powers on the basis that action should be taken initially at the lowest level competent, that subordinate officers should be left to exercise their powers without hindrance, the higher authority interfering only in appeal or revision or where there has been gross abuse of powers, and that in the latter contingency, the proper remedy is not to resume the powers delegated, but to replace the erring officer. (ii) Heads of Departments should send periodical reports to Government showing particulars of the exercise of the delegated authority beyond a certain level.

(2) An Organisation and Methods Unit should be set up in the offices of each major Head of the Department and of the Collectors.

(3) The progress and implementation of the programme and achievement of financial and physical targets should be critically examined in periodical conferences at the Secretariat level attended by all Secretaries and Heads of Departments and presided over by the Chief Secretary.

## VII. The Secretariat

(1) (i) There can be no great improvement in the despatch of business in the Secretariat until the work

done there is reduced in volume and is restricted only to those purposes for which a Secretariat is intended. The Secretariat work should be confined to the framing of policies, laying down rules and principles of procedure, financial control, work connected with legislation, general direction and evaluation. (ii) The Head of the Department should be responsible for implementing the policies. (iii) It is not desirable to combine the functions of the Secretariat Officers and Heads of Departments except in cases in which such combination is already in vogue.

(2) Nothing should be done in the Secretariat only above the level of Assistant Secretaries. A revised procedure is suggested for work in the Secretariat. The revised procedure is based on Heads of Departments sending to the officer concerned in the State Secretariat a fully-referenced *note* (in duplicate), instead of a letter as at present except in matters relating to establishment, promotions, enquiries, etc. Further action in the Secretariat will be taken on the *note*. (The procedure recommended is a modified form of the one suggested by the Rowland's Committee and adopted in Bihar four years ago and in U.P. last year—Heads of Departments sending the entire files to the State Secretariat.)

(3) The system of 'jumping of levels' should be introduced in all departments.

(4) An Organisation & Methods Division should be formed in the Secretariat as part of the Public Department.

(5) The departments of the Secretariat may be so regrouped as to form nine departments in all, *i.e.*, Public Department (Public, Home, Planning and Development, Anti-Corruption, and Organisation and Methods); Revenue Department (including Local Administration);

Finance Department; Agriculture Department; Industries Department; Public Works Department; Education Department; Health and Labour Department; and Law Department.

(6) There should be interchange of district and Secretariat officers at all levels—from the Lower Division clerk's to the Secretary's.

### VIII. The Services

(1) Recruitment to posts in the sub-clerical and last-grade services may be done by a District Recruitment Board, presided over by a member of the State Public Service Commission, with the Collector as a member.

(2) The benefit of reservation for Backward Classes should be given only to those who fall below a certain economic level.

(3) There should be provision for direct recruitment at intermediate levels in services, without any reservation for Backward Classes. Reservation for Scheduled Castes and Tribes may, however, continue.

(4) A course of combined practical and institutional training should be prescribed for all recruits to clerical and administrative jobs. The scope of training should include training in objectives as well.

(5) It is necessary to ensure that there is no 'imbalance between age and incentives' and that stagnation, which does exist at certain levels of the services, is avoided. There should be a well-planned promotion system and the rules governing it should be statutory. The principles, criteria and procedures for departmental promotions should be fixed and made widely known and, by their faithful implementation, implicit confidence be created in the services that they will not be departed from.

(6) Greater weightage should be given to seniority at lower levels

and to merit at higher levels, in the matter of promotions.

(7) The proper maintenance of Personal files should be insisted upon. For different posts in different departments, as many objective criteria as possible should be laid down for assessing the merit of an individual. The details have to be worked out for each department and for each post.

(8) An officer declining to punish proved incompetency or misconduct should be presumed to be indifferent to, or negligent of, his duties and rated low in point of administrative ability.

(9) There should be a correct code of behaviour for Government servants, which, among other things, should discourage their closely associating with persons in charge of trade or industry or others who may have to approach them for permits or licences or for certain discretionary advantages.

### IX. Administrative Expenditure and Financial Control

(1) A small committee, consisting of not more than two non-officials and a senior official, may be set up to investigate in detail about administrative cost including staff salaries, allowances, contingencies, stationery, telephone charges, expenditure on Government vehicles etc. and suggest measures for economy.

(2) The budget for each department should show all the expenditure provided on behalf of that department. If a scheme has been included in the budget after the scrutiny of the detailed estimates by Finance then there is no need to seek fresh financial sanction after the budget is passed unless it is proposed to alter the original estimate materially.

(3) There should be a financial unit under a Financial Assistant or an Adviser, in the office of each

important Head of the Department, who should be held fully responsible for budgeting, expenditure control, internal audit and the scrupulous observance of financial rectitude in that department. The financial Assistants of all the departments should form a common cadre.

(4) Inter-change of personnel between the Finance and administrative departments may be made from the level of Assistant Secretary and above.

(5) A non-official Standing Finance Committee may be set up to scrutinise the budget proposals before they are finalised by the Finance Department for presentation to the Legislature.

(6) Spending departments should prescribe quarterly targets for expenditure to avoid lapse and also heavy rush towards the close of the financial year.

(7) A unit for economic research whose functions should include a study of the taxation proposals and the impact of the Government's socio-economic policies on the country's economy should be set up in the Secretariat.

#### X. *Civil Servants, Ministers and the Public*

(1) (i) The Minister is responsible for the framing of policies, but in doing so, he should take the advice of his senior Civil Servant.

(ii) The Minister's function is not so much to run his department as to see that it is run well. He can give only a limited time to the details of administration. A Minister, therefore, must permit and encourage the execution of delegated authority by officers without hindrance or interference. A major portion of administration is non-political and it is essential to ensure that departmental decisions are impartial and equitable. The anxiety to redress individual grievances should not go

against this. It would be a good policy for a Minister not to question ordinary acts, with which he may not fully agree, if they have been done in Civil Servant's discretion and good faith.

(2) (i) A Civil Servant should be frank and fearless in giving his views and, after a decision on any matter has been taken by the Minister, the Civil Servant should faithfully carry it out, whether it conforms to his advice or not. (ii) As between the political parties a Civil Servant should act with *demonstrable* impartiality, not giving the impression of favouring any.

(3) (i) Whenever possible, requests made by people should be examined and the orders made known to them immediately. Where this is not possible, a definite time limit before which orders will be passed should be intimated, and it should be kept up. (ii) Official communication to the public should be courteous, precise and intelligible.

(4) Care should be taken to see that official directions of a regulatory nature and practicable of enforcement by the authority responsible, and capable of observance by those to whom they are issued. The responsibility for the enforcement of the directions should be vested in the lowest level appropriate.

#### XI. *Miscellaneous*

(i) Punctuality and the maintenance of a business like atmosphere in office are to be insisted upon. The fact that a Government servant has occasionally to work overtime will not be a proper excuse for being unpunctual or absent during office hours. (ii) Transfers and postings should be governed solely by public needs and cause only minimum disturbance among staff already in position. (iii) There should be facilities in public offices for people to wait, and for their reception and guidance.



## BOOK REVIEWS

*PARKINSON'S LAW OR THE PURSUIT OF PROGRESS;* By C. NORTHCOTE PARKINSON. London, John Murray, 1958, v. 122. 12/6.

If I were ponderous, I would say that this is a collection of essays on Public Administration, a description this, which is much more misleading than the average cogitations of the professional reviewer. For one thing these are not essays in any of the accepted connotations of the term and the all-pervading titillating irony might enable the administrator to belittle the serious implications of the work. Parkinson's Law first saw the light of day in the pages of the *Economist* whose readers were also privileged to peruse the analysis of "Directors and Councils" and of "Pension Point". The Rising Pyramid needs elucidation as its starting point is the top with the senior official attempting to cope with increased work, keeping two axioms in mind: (1) "An official wants to multiply subordinates, not rivals;" and (2) "officials make work for each other". The resultant increase of fruitless and self-multiplying activity is reflected in a statistical chart of the Admiralty where the substantial decrease of ships in commission and of officers and men in the Royal Navy is concomitant with an equally substantial increase in Dockyard and Admiralty officials. The resultant formula I leave for students of higher Mathematics and take up the Directors and Councils with the elementary principles of Comitology. The Committee or Cabinet of five must include experts in finance, foreign policy, defence and law in addition to one ignorant of all these who becomes the Chairman. The organic growth of cabinets is instruc-

tive and the established formula of the co-efficient of inefficiency may be taken to heart by all cabinet-makers. The art of the selection of administrators or, for the matter of that, of any officers needs careful study and the art of drafting an advertisement has to be sedulously mastered. The basis of the Personality Screen is that essential element of modern life,—the Cocktail Party. The Formula for Success will interest many capitalists worried with a complicated pattern of tax-structure which embraces income and expenditure, wealth and poverty, life and death but he may be puzzled with High Finance or the Point of Vanishing Interest. For those interested in Injelititis I leave only the cryptic definition that it is the disease of induced inferiority and I slur over Plans and Plants as one might read a meaning into my remarks which was not intended: it might be safe to keep to the Palace of Westminster of the Pentagon but with New Delhi we are near the brink. So we conclude our deliberations with the contemplation of Anno Domini. If Kipling could create a Venus Anno Domini the administrator can manufacture an effective elixir which will help him to check others' attempts at rejuvenation while he himself does not require the aid of a Voronov or Steinach.

What is the moral of this profound analysis of the Rising Pyramid. Here are some statistics of the expanding Secretariat in New Delhi.

Actual strength of all Ministries etc. including their attached  
offices as on 1st November, during 1947 to 1956.

P=Permanent.

T=Temporary.

	Secy.		Spe.Secy.		Addl.Secy.		Ex-Officio		Equivalent		Total	
	P.	T.	P.	T.	P.	T.	P.	T.	P.	T.	P.	T.
1947	9	9	—	—	1	3	6	—	6	3	22	15
1948	10	9	—	—	1	2	4	1	6	3	21	15
1949	11	10	—	1	2	1	3	1	5	5	21	18
1950	11	11	—	—	1	—	3	2	5	4	20	17
1951	12	9	—	3	—	—	3	3	5	2	20	17
1952	13	9	—	1	—	2	3	3	5	2	21	17
1953	13	12	—	1	—	—	3	1	5	2	21	16
1954	16	11	—	2	—	1	3	1	6	2	25	17
1955	16	12	—	—	—	3	3	1	6	1	25	17
1956	17	15	—	1	1	1	3	1	6	1	27	19

	Jt. Secy.		Ex-Officio		Equivalent		Total	
	P.	T.	P.	T.	P.	T.	P.	T.
1947	6	21	1	6	23	22	30	49
1948	9	23	3	5	23	17	35	34
1949	10	27	3	5	23	14	36	46
1950	10	27	3	6	23	11	36	44
1951	12	28	4	6	22	15	38	59
1952	15	28	4	5	22	19	41	52
1953	15	27	4	10	21	18	40	55
1954	15	32	5	7	21	26	41	65
1955	19	47	5	12	21	37	45	96
1956	20	51	5	14	20	32	45	97

	Dy. Secy.		Ex-Officio		Equivalent		Total	
	P.	T.	P.	T.	P.	T.	P.	T.
1947	23	39	3	5	44	96	70	150
1948	26	46	5	3	50	93	81	142
1949	26	51	5	2	50	90	81	143
1950	28	63	5	2	50	90	83	155
1951	33	59	5	2	53	92	91	153
1952	34	69	6	2	55	95	95	166
1953	36	74	6	4	63	92	105	175
1954	36	98	7	4	64	116	107	218
1955	39	128	7	9	66	161	114	298
1956	54	148	7	13	75	175	136	336

	Under-Secy.		Equivalent		Total	
	P.	T.	P.	T.	P.	T.
1947	49	118	75	221	124	339
1948	50	126	96	241	146	367
1949	54	139	105	240	159	379
1950	61	141	109	221	170	362
1951	71	167	114	204	185	371
1952	77	163	120	202	197	365
1953	85	191	119	233	204	424
1954	88	228	122	275	210	503
1955	97	302	152	330	249	632
1956	127	338	172	369	299	707

Grand Total :	1947		1948		1949		1950		1951	
	P.	T.	P.	T.	P.	T.	P.	T.	P.	T.
	246	553	283	569	297	583	309	578	334	590
"	1952		1953		1954		1955		1956	
	P.	T.	P.	T.	P.	T.	P.	T.	P.	T.
	354	600	370	670	382	795	433	1043	507	1159

The war-period surplus had to be absorbed and the laudable ambitions of numerous officials satisfied. We find justification for Parkinson in the low percentage increase at the top as compared with the proliferation at the bottom. Here again one must know where to pause in the

process of laborious analysis for with a simple unguarded statement one goes over the brink. I would prefer to linger on Lancaster's illustrations which unfortunately cannot be reproduced in this review.

—N.K. Sidhanta

*INTERNATIONAL CIVIL SERVICE : Principles and Problems ;*  
By TIEN-CHANG YOUNG. Brussels, International Institute of Administrative Sciences, 1958, 268p. £1.16.

Dr. Young's study is to be welcomed; it fills a gap in the scarce literature on the subject and is a valuable supplement to Loveday's "Reflections on International Administration" (reviewed in I.J.P.A., Vol. III, No. 3, July-Sept. 1957). The international civil service being a new profession, its basic concepts and principles are not yet finally determined. Nevertheless, a good deal of experience has been acquired, which should help in building up the service on sound lines. Also, the experience of the international

civil service should be useful to those interested in the administration of national civil services just as the experience of national civil services was helpful in the building up of the international civil service. Dr. Young deals authoritatively and comprehensively with the subject. His approach is historical and analytical; contemporary ideas and controversies are discussed; and an attempt is made to provide an analytical view of the fundamental principles underlying the concept of the international civil service.

A civil service has to be moulded according to its functions and responsibilities. Dr. Young mentions the main characteristics of the international civil service which distinguish it from its national counterpart and for which "it must develop its own pattern and norms specifically suitable for its unique tasks". The international civil service is *international* and not *super-national*; it is built on the basis of contractual relations rather than on the concept of obligatory obedience to a sovereign employer. Prof. Claude has described it as "a bureaucracy without a Government, without a country, but standing alone in an international vacuum". It does not exercise the powerful executive functions of a national civil service. An international civil servant works under the direction, supervision, guidance and control of the head of his Secretariat whose objective, in broad terms, is to further, as far as possible, the aims of the Charter or constitution of the international organisation it serves. The aims are stated in general terms. All this is conceded by the author, who even pleads that the international civil servants should "be inspired by a sense of loyalty to the cause for which the international organisation was created, and devotion to the ideal for which it stands. They should develop an 'international outlook', 'international mindedness', and a habit of daily co-operation with persons of other countries and cultures". He does not, however, carry the idea a step further to see clearly its implications for the staffing patterns and work methods in an international secretariat. Such a secretariat can only function by general agreement among nations and not by exercising any form of compulsion. Thus, the international civil service must not only be efficient, but must also command general confidence, which is not easy

in view of the many conflicting interests—national, regional and ideological.

Though its functions are neither definite nor authoritative, the Charter of the U.N. fully recognises the importance of the Secretariat. It is not merely an executive machinery but a regular organ of the U.N. like the General Assembly, Security Council, etc. Further, its absolute independence is emphasised. The Secretary-General and members of his staff are expected to be completely objective in the analysis or presentation of facts and in the expression of views. No external pressure is to be allowed. Finally, in recruitment and determination of the conditions of service, paramount consideration must be given to securing the highest standards of efficiency, competence and integrity, with due regard to the importance of geographical distribution.

The most important consideration here is independence. Unfortunately, on quite a few occasions illegitimate external pressures have been exercised. Tact, combined with firmness and courage on the part of the head of the Secretariat, is required to resist such pressures. Here the experience of the past will no doubt be of value for the future. But, in this connection, it is also important that to ensure independence, excessive claims are not made on behalf of the staff that are likely to be resisted or resented by Member-States. In this respect, the League of Nations made the mistake of claiming full diplomatic privileges and immunities. As the author shows, international staff now enjoy limited immunities and privileges which are considered essential for the performance of their duties. This needs wider publicity, because the mistaken impression that the international civil service enjoys the same diplomatic status and privileges and

the diplomatic services of member-States still persists.

The requirement regarding geographical distribution has raised doubts in some quarters. It is felt that this stands in the way of efficiency and lowers staff morale. The author lists in detail, in Chapter V, the various devices and measures for reconciling the two apparently conflicting principles of efficiency and geographical distribution. These include programmes of inservice training, competitive examinations for ministerial and junior professional posts and secondment of officials from national services. The recent advances as well as the difficulties in the application of the principle geographical distribution have been noted by the author; but he fails to appreciate that geographical distribution is the *sine qua non* of efficiency in an international organisation, if efficiency is interpreted—as it should be—as capacity to deliver the goods. An international secretariat in which three or four countries have overwhelming representation, or in which particular regions are conspicuously unrepresented, is not likely to command general confidence.

On the question of remuneration (Chapter VI), the League of Nations and the United Nations have tried to follow the principle of equal pay for equal work. Exceptions have crept in; but this should occasion no surprise. The author is apparently doubtful. To him, "departure from the principle of equal pay for equal work which includes the separation of international salary scales from local salary scales and the interplay of wage policy with social policy is also debatable". But in a world of startling diversities the application of such a general principle will present difficulties. In the beginning, international staff functioned almost exclusively at the headquarters and was recruited, for the most part,

from countries near the headquarters. With the inevitable improvement in geographical distribution and the employment of international staff for long periods in all parts of the globe, more and more exceptions will be necessary. Obviously, the element of repatriation, the variations in the cost of living and salary levels in different regions are factors that cannot be ignored.

Both in the League of Nations and the United Nations, salary scales were fixed "on the basis of the best paid service in the world". This the author considers to be the right policy, "because in the final analysis it is undeniable that the quality of service depends in no small measure on material reward". There is force in this argument, but the wide disparity in scales of pay between rich and poor countries and the fact that the latter are in an overwhelming majority create a problem. An international civil servant functioning in a country in which the scales of pay of the national civil servant engaged on similar work is very much lower, is bound to attract unfavourable attention. Since an international organisation depends on goodwill rather than authority, a subdual of the mercenary interest in the interest of the job itself might also be emphasised.

The question of participation in political activities has attracted much attention and controversy. The present Secretary-General came out boldly with the view that the international civil servant should not participate in any political activities, apart from exercising the right to vote. He should either abandon such activities or resign. This was challenged by many. It was argued that membership of a political party was the most discreet expression of political views possible and represented the minimum exercise of a fundamental freedom protected by

the Charter of the U.N. After much discussion, the compromise reached was that membership of a legal political party may be allowed, provided "it does not entail subjection to party discipline or action in favour of the party, other than the payment of the normal financial contribution". In India a somewhat similar, though basically different, issue was raised recently in the Patna High Court, on a petition by some Government servants that the prohibition by Government of strikes and demonstrations was illegal, as it violated some of the fundamental freedoms guaranteed by the Constitution. It is interesting to note that the decision and arguments of the Patna High Court were very much in line with the views expressed by the Secretary-General.

Chapter VII on 'Career Service versus Temporary Appointment' contains an interesting discussion of the relative merits and demerits of promotions from within versus inflow of fresh talent from outside, at the various levels of the international civil service, as also of the authority of the Secretary-General to terminate an appointment 'in the interest of the United Nations', or "if the staff member does not meet the high standards of integrity required by Article 101, paragraph 3, of the Charter". Recent developments in regard to efficiency rating and five yearly review of the member's service are also mentioned. Dr. Young is strongly in favour of an independent permanent civil service commission elected for a fixed term by Member States, and for the establishment of a "single international civil service, analogous to a national administration". The first proposal merits consideration. The latter proposal has not been worked out in any detail and seems hardly practicable in the present stage of internationalism.

In the U.N., elaborate machinery has been set up to protect, as far as practicable, rights of the staff against arbitrary measures. Here, the administrative staff tribunal is considered to be as one of the most effective safeguards; the necessity for it arises from the nature of contractual relationship between the staff and the management and the fact that an international organisation is not suable in any court. But we must not forget that in such matters the machinery is not so important as the spirit in which the two sides—the management, and the staff—approach their common problems; and this spirit, for the most part, has not been lacking. It is indeed a healthy sign that the Federation of International Civil Servants' Association, in its statute, places in the forefront its duty to "help to attain the aims set forth in the Charter of the U.N. and the Constitutions of the Specialised Agencies."

Dr. Young's book is a mine of information and ideas on contemporary practices and problems of the international civil service; the analysis is pragmatic and tempered with a touch of administrative philosophy. The approach, however, suffers from a basic defect. Although Dr. Young fully realises that the character of international administration is fundamentally different from national administration, throughout his analysis and appraisal of current issues of the international civil service runs the idea of applying the principles of national administration to this sphere of international activity. The concept of geographical distribution as an essential requirement of efficiency in international administration does not receive the emphasis it deserves; he can hardly reconcile himself to the inevitable exceptions to the principle of equal pay for equal work; the

unified international civil service must also be analogous to a national administration. Where then is the wider perspective of an international civil service with its own "pattern and norms"? The diversity of political, economic and social factors, which provide a different setting with different functions for the international civil service and which are

discussed in the book in some detail, are not adequately taken into account in the formulation of concepts of international administration. And it is hardly safe to call them 'principles' when even in the realm of national administrations we have come to believe in 'concepts' and trends.

—S. Lall

*THE SCOTTISH OFFICE* (New Whitehall Series); By SIR DAVID MILNE. London, George Allen and Unwin, 1957, v. 225p. 21s.

Sir David Milne has served since 1946 as the Permanent Under Secretary of State for Scotland. Few can, therefore, claim to be better qualified than Sir David to give a authoritative account of the Scottish Office. The task, however, is not easy. The Scottish Office has no parallel in British administration, and perhaps none in the administration of any country in the world. It is not the headquarters of an autonomous administration functioning within a federal structure and responsible for a particular geographical area. And yet, the Secretary of State for Scotland "is popularly regarded as 'Scotland's Minister'." Any matter which affects Scotland directly or even remotely attracts his responsibilities. The result is, as Sir David has stated, ".....both the Secretary of State and his departments have to go delicately between two extremes. If they seek to intervene unduly in matters for which other Ministers are responsible, they will be an intolerable nuisance to their colleagues; if they fail to intervene when their close acquaintance with Scottish conditions makes intervention seem desirable, they will be blamed, and probably justly."

It is this delicate balance which makes the study of Scottish Office a subject of unusual interest. A reader of "The Scottish Office"

would be pardoned if he expects a fuller account of the "no-man's land", as Sir David calls it, than is available in this book. It must be recognised, however, that no account of what must essentially be a matter of day-to-day adjustment can be fully satisfying. The book, therefore, rightly concentrates on the field which is more clearly defined, and in this field it provides an account which, in its broad sweep and in its wealth of detailed information, not only impresses the reader with the vastness of the responsibilities of the Scottish Office and of the Secretary of State for Scotland, but leaves him at the end of his study much better informed than before of the variety of the problems of Scottish life.

The book is divided into seven parts. The first gives an introductory as well as a historical account of the Scottish Office as it is to-day. The next four parts are devoted to the four main Departments of Scottish Office, namely, Agriculture, Education, Health and Home. These Departments among them cover the major part of responsibilities of the Secretary of State. The Sixth and the Seventh Parts deal with the remaining responsibilities of the Secretary of State. The Sixth Part contains an account of the Forestry Commission and the Crown Estate Commissioners, apart from indicating

briefly the work and activities of smaller Scottish Departments and Offices, such as the General Board of Control, the Department of Registers, the Scottish Record Office and the Registrar-General for Scotland. The last part deals with the Law Officers and the Lord Advocates Department, and is of special interest, for the Lord Advocate was once responsible for many of the functions which now fall to the Secretary of State.

To the Indian administrator and to all those in India, who are concerned with the machinery of Government and its activities, perusal of this book will be highly rewarding for two reasons. First, in its Chapters on the Departments of Agriculture, Education and Health and not any less so in the chapters on the Department of the Scottish House Department, they will find a graphic picture of the contents and programme of administration in a modern welfare state. India has started her journey on this road to a welfare State. Her agriculture is by far the most important industry in the country, and will undoubtedly remain so in spite of the rapid growth of heavy industries. In India, we are, therefore, greatly interested in the development of agriculture, and particularly in the problem of State aid to and control of agriculture. The chapters on the Department of Agriculture have much to say how, admittedly in a different context, but with similar objectives in view, the problems of agricultural production are tackled in Scotland. Similarly, in matters of health which include such programmes as Town and Country Planning, Housing and Water Supply, the study of the functions of the Scottish Department of Health is of considerable interest to the Indian planners and the Indian administrator. The Scottish Home Depart-

ment has also its share of welfare activities. As Sir David Milne remarks "And it is perhaps not a bad thing for its immortal soul that a Department whose normal functions tend to be of a regulative or negative character should have an opportunity for constructive social work." The work of this Department for the care of children in Scotland is an instance of such constructive social work which deserves to be mentioned.

It is, however, to those interested in politics and in the structure of Indian Government that the book will have its greatest appeal. The basic problem which has created an institution like the Scottish Office is by no means unknown in India. It is the problem of the existence of a geographical area which is essentially a part of the nation to which it belongs, but which has characteristics and problems of its own, which mark it off sufficiently from the rest of the Nation to justify special arrangements for their treatment. In essence, this is the problem which gives rise to Federations in larger countries, and to various administrative arrangements of decentralisation in others. Admittedly, the problem in each country has its own peculiar features. The Indian Constitution has federal characteristics and is a union of States. Even within a State, the area is large enough for decentralised administrative arrangements. In fact, the current view in India is in favour of greater administrative decentralisation, and we are constantly experimenting with various forms of decentralised administration. "The British approach to public administration has always been empirical rather than doctrinaire", Sir David tells us. "For many of the activities of Government in Scotland, the Secretary of State is.....himself responsible to Parliament; for others,....., a United



Kingdom or Great Britain Minister is responsible. But there may be a middle way, more suited to certain kinds of State activity—a condominium under which the Secretary of State and an English Minister are jointly responsible for policy in Great Britain and separately concerned with matters peculiar to their own territory”.

This brief description of the Scottish administration shows that it conforms to no accepted pattern. And yet in a process of historical

evolution it has proved to be the answer to the Scottish requirements. The Scottish pattern cannot obviously be reproduced in India, but the lesson may well be that the pattern which India evolves to suit her own traditions and her needs may be no set pattern designed by administrative or political doctrines, but one evolved in the field to meet the conflicting demands of national unity and territorial divergence.

—R.C. Dutt

**ADMINISTRATIVE ORGANISATION:** *A Comparative Study of the Organisation of Public Administration*; By POUL MEYER. London, Stevens, 1957, 323p. £2.5s.

Dr. Poul Meyer is a civil servant in the Danish Ministry of Agriculture, and at the same time an Assistant Professor in the University of Copenhagen. He has besides “made post-graduate studies” in Sweden and studied public administration in the U.S.A. With this happy combination of academic knowledge and practical experience, he attempts the task of “establishing a scientific foundation for the study of the types of organisation applied by public administration”.

Dr. Meyer is concerned with administrative organisation as a structure. “Every administrative situation has two aspects, *structural and functional*”, but the structure of a dynamic body is largely moulded by its functions and the dichotomy is difficult. In his book Dr. Meyer considers *function* only so far as it bears on *structure*. “Our aim is in no way to give a complete account of administrative science. The operational activities or the dynamics of administration is, therefore, out of the scope of this book whilst still within the concept of administrative science. The same is true of an ana-

lysis of decision-making (the decisional process)”.

So this is a morphology of public administration, derived from a study of actual forms obtaining in Britain, Western Europe, Scandinavia and the U.S.A., and illustrated with some examples from other countries besides these. As it is a purely ‘typological’ study, an exhaustive and detailed comparison of actual systems would be out of place and is not attempted.

The introductory chapters lead on to a consideration of the terminology of administrative science. Here, among other things, Dr. Meyer draws a useful distinction between ‘Decentralisation’ and ‘Deconcentration’ of powers. The former signifies the *cession* of certain powers by the central authority to local authorities, who are thereafter not subject, in those matters, to the directions or appellate powers of the central authority. ‘Deconcentration’ on the other hand means a mere *delegation* of powers to the local by the central authority, which reserves the right to issue directions or reverse decisions. Efficient working

of a highly centralised administration demands a large measure of deconcentration.

One of the best chapters in the book is devoted to the concepts of 'Rationality' and 'Efficiency' as applied to public administration. Dr. Meyer observes the *complete* rationality has no place in practical administration. (But then has it a place in any kind of human activity?) He also says that administrative activity may be efficient without being rational. And the measuring of efficiency is by no means easy in public administration : "Citizens complain that public administration is slow, cumbersome and expensive, and in doing so they apply the usual economic measure by which to compare the costs in terms of time, labour and capital on the one hand and the output on the other hand; but while the input may be measured, the output defies any such attempt.

This brings Dr. Meyer to the question "How do administrative organisation grow?" : and, alas, the answer is, too often irrationally. It starts with the well-known quotation from Sir Ivor Jennings viz.

"In the last analysis the State consists of John Smith, his wife and children. As every John Smith knows, a drink of water at bed time may cause more rumpus than the expropriation of an oil company or a war in the Balkans. Excessive concentration on one's private affairs and lack of attention to national and international affairs are to be deprecated; but it is easy for the politician and the administrator to go to the other extreme and to forget that John Smith has his own affairs."

Long standing bureaucratic systems preserve cosy nooks of sinecures to which unwanted men may be "kicked upstairs." And then there is

'administrative expire building'. In this chapter is reproduced, from the columns of 'The Economist', London, the famous letter enunciating Parkinson's law,—a brilliant commentary on the administrator's power to multiply subordinates and not rivals and to make work for each other. After reaching the conclusion that staff increases automatically at 5 % per year, regardless of the work the propounder of the theory goes on to say that the study was purely objective. "No attempt has been made to enquire whether departments ought to grow in size. Those who hold that this growth is essential to gain full employment are fully entitled to their opinion. Those who doubt the stability of an economy based upon reading each other's minutes are equally entitled to theirs. Parkinson's Law is a purely scientific discovery, inapplicable except in theory to the politics of the day. It is not the business of the botanist to eradicate the weeds. Enough for him if he can tell us just how fast they grow." This is one of the chief attractions of the book.

Part II deals with 'Administrative Division of Work', and here we get brief glimpses of the mysteries of 'staff and line' : then there is the thorough digest of other peoples' opinion that one has come to expect by this stage. The "determinative", "interpretative" and "applicative" functions are distinguished. A typical example is the statement below.

"While there is a fear in the U.S.A. that the existing trends entrust the staff units with increasing administrative authority, there is in many European countries every reason to fear a concentration in the Government departments of cases which should be decided—in any case in the first round—by subordinate agencies or local authorities. Experience seems to show that it is easier to clear the government

departments of the European type of administrative cases which should be decided on a lower level than to get rid of the delegated or factual authority in the American 'Staff Units.'

Of particular interest to us in India is the chapter on "Expertise Interest Representation."—the role of the Expert in administration. Dr. Meyer has no doubts. "Technical experts are usually one sided; owing to their whole education, they have been trained to see problems from one angle only. Such one sidedness may be dangerous in public administration". And in a later chapter: "Universal experience suggests that the expert organisations should be placed at such a distance from the chief executive that the cases may receive a thorough treatment by general administrators before being brought before the chief executive. Furthermore it seems to be important that this treatment is given by persons who represent units which are hierarchically superior to the expert organisations and not by staff offices or personal assistants. Finally, the general administrators placed between the expert organisations and the chief executive should be supplied with secretariats of a reasonable size and be able to draw upon scientific advisers, research institutions and other auxiliary services."

Part III concerns 'Administrative Authority', and is largely descriptive, though while speaking of 'Hierarchical authority' the author comes back to general principles. He points out that though the formal hierarchical authority moves from above downwards, "authority in the psychological sense can be exercised also from bottom upwards. In fact, this movement is undoubtedly more frequent". When a superior passively accepts recommendation he has received from his subordinate in a concrete

case, the subordinate has exercised 'psychological' authority over him.

The chapter in this part dealing with 'Collegiate authority' is also largely descriptive, but Dr. Meyer goes on to analyse the advantages and disadvantages of the 'Board' or 'Polycratic' system, as compared to the 'Monocratic' system where final administrative authority vests in an individual.

Part IV is titled 'Administrative Hierarchy', and in the opening chapter the importance of having a permanent official hierarchy, politically neutral, is explained. For those of us who thought that the 'spoils' system was outmoded in the United States, it is interesting to learn that the system not merely exists still, but has been given a certain ideological basis. "From being a caricature it has been turned into a political and administrative principle." Again, "when the long lasting democratic regime was superseded by General Eisenhower's republican administration in 1953, it meant that many thousands of employees in the federal administration were replaced by loyal republicans.....Furthermore, the President ordered the establishment of a new category of jobs exempt from the merit system, and ordered the transfer to it of all positions 'of a confidential or policy-determining character'. In most agencies, positions ranking with that of bureau chief have been so transferred." A mass of information on the constitution of departmental hierarchies in various countries has been included.

But more interesting from our point of view is the account of how the permanent 'bureaucracy' in Denmark ran the civil administration during the German occupation in 1940-45, confining itself "strictly to the adoption of measures which were absolutely necessary for the

maintenance of normal life...Afterwards, no complaints were heard from the 'dethroned' politicians or from the public."

Dr. Meyer is prepared to admit that in Europe the importance of having a permanent official hierarchy is over-rated. But on the balance he is in favour of the European as opposed to the American system.

In Part V we are told all about 'Administrative Decentralization', which may be either 'Vertical' (by transfer of powers to local authorities), or 'Horizontal' (by the vesting of independent powers in agencies which are outside the regular administrative hierarchy).

'The Ways of Centralization' are next described, under three headings. The first, 'administrative tutelage' is relevant to Indian conditions: but more so is the second 'Grants-in-aid', which is all too briefly disposed of by the author. Under the third heading 'disintegrated co-ordination' is included co-ordination by committee (meeting regularly), or by conference (meeting occasionally). According to Dr. Meyer, an extensive use of this method indicates the shortcomings of the administrative system. If there is an excessive 'proliferation' of units on the same 'hierarchical level', it goes beyond the 'span of control' of the chief executive to whom these units are subordinate. The chief executive has no time, though he has the authority, to decide points of disagreement between these units: and hence arises the need for co-ordination

committees to decide such disputes without "battering" the chief executive.

Another method of 'disintegrated co-ordination' is inspection, meaning here inspection by an official who is outside the integrated hierarchy, and who has himself no power but to report to the appropriate authority within that hierarchy. Dr. Meyer recognises that in fiscal management such a system of inspection, namely, outside audit, is quite legitimate. But he does not recommend such outside inspection for purposes other than finance and accounts.

The concluding chapters describe the Collegia, in which category come Administrative Tribunals, Regulatory Commissions and Public Corporations.

Dr. Meyer's is a learned book. The history of administrative traditions is retold in some cases from Hammurabi (2000-3000 B.C.) downwards or almost equally ancient Chinese institutions. His passion for accuracy results sometimes in considerable semantic output. The administrative organisations of the U.K., U.S.A., Scandinavian countries and eastern Europe have all been fully studied and even though there is no bibliography the weight of learning is palpable throughout. There are a few misprints and mistakes in grammar and a useful index of subjects. This will be a useful reference book for academic courses in public administration.

—K.S.V. Raman

*MANAGERS—A Study of Their Careers in Industry*; By R. V. CLEMENTS. London, George Allen and Unwin, 1958, 200p. 20s.

This Study of Careers of Managers is, as far as I am aware, the first study of this kind. It is an inductive Study and despite the limitations of the method used comes to sound

conclusions in regard to the historical development of the managerial class, in the main industrial centre of the United Kingdom, from the various strata of society. As the

Study was based on personal interviews, its coverage could not be very large and in this particular case, it was confined to Lancashire and the northern fringes of Cheshire and concentrated chiefly upon Manchester and its environs. Another point worth noting is that at the time of undertaking the Study, no definition of the term 'Manager' was worked out explicitly. Consequently, the sort of people interviewed included not only working directors, sales and works managers, but also heads of laboratories and their seconds in command, accountants, company secretaries, chiefs of testing departments, chief designers and the like.

As the author points out, the enquiry was planned to illuminate, if only locally, such problems as: whether there were grounds for the belief that there were a few 'ideal types' to which most managerial careers in the sample conformed; whether there was some kind of qualitative and quantitative estimate possible of the historical changes in the career of managers; whether the charge that the British industry is run by accountants or that generally top managers are recruited from selling or commercial work is tenable; whether the angle of production and research programme and faults in designs and development can be attributed to commercial-minded top management; whether it is possible to deal with the problem as to how far men with all the apparent advantages of social position and education fail to establish themselves as successful managers; and so on.

After posing these questions and some more, the author categorises managers according to the patterns of their career into five broad classes: (1) the Crown Prince; (2) the ex-Manual trainee; (3) the expert trained before entering industry; (4) the special entrant and (5) rising from the bottom. He then

goes on to deal with certain wider aspects of the problem, such as social origins and the careers of the industrial managers, mobility and specialism, managers in different sorts of work and elites in management.

The broad conclusions of the Study are contained in Chapter XIII—Historical Survey and Conclusion. Historically speaking, as a result of the recession of the 1920's, as employment opportunities moved from one place to another and from one industry to another, the movement towards concentration that had already begun became intensified. Works were closed, control passed into fewer hands, organisation was tightened up and rationalised, staffs were decreased, with the result that the proportion of men promoted to commercial management began to fall, and continued to fall throughout the 'thirties, but the rate recovered in the last half of the 'thirties. Production rather than selling came to the forefront. Under the same influence, recruitment to technical management expanded throughout the same decade. Management training schemes which had under grinding economic necessity barely held their ground contributed a rather smaller proportion of managers in response to the demand than they had done earlier. The ratio of men promoted from the bottom also fell. The greatest gains were amongst men who had specialist qualifications before they entered industry. Moreover, fewer managers came from the middle-class in the 1930's; but the proportion of men of the lower middle class origins increased. Similarly, sons of fathers in skilled manual occupations more frequently became managers. These changes were reflected in the educational backgrounds of the new managers of the decade. University degrees became more common. Not only

was industry calling upon the trained specialist but university men were turning more to industry for employment. The advent of war produced big changes in the pattern of recruitment. A great many young men who were just below management level left industry and joined the forces for five, six or seven years. The short supply of good potential management material meant that recourse was often had to older men who had previously been passed over. The period after the war, however, saw a readjustment. Between the years 1945 and 1949, three times as many managers were appointed as during the war. The patterns of the careers and the educational backgrounds of the new men differ a good deal from those of the older appointees of the war years. The proportion of men with scientific or financial qualifications has climbed to the level that might be considered normal in pre-war years.

One of the conclusions of the enquiry is that industrial management like most other institutions has been profoundly influenced in its development by short as well as by long term factors. Although this could not be termed as a very profound conclusion, the manner in which it has been arrived at and the painstaking study that has gone into it does credit to the author. His

more far-reaching conclusion that the most important management problems facing industry today appear chiefly to be long-term ones and can probably never achieve clear-cut solution, will put heart into those who are trying to tackle this important problem in our country. It is not seldom that one hears complaints about lack of managerial skill, managerial opportunities and lack of training facilities. Great advances have been made in all the directions in recent years in this country, as is evidenced by the setting up of the various associations of Management, Management Training Courses in Universities and other institutions and so on. It is well to remember that there are no short-cut solutions to a problem in which are involved so many diverse factors of training, human behaviour and social organisation. If even in a country like England, the author could report a lack of systematic provisions for training or selecting men for management, it is not surprising that in India too, the situation is not much different.

On the whole, the book is well worth a study by all those who are interested in management movement and training.

—G. L. Bansal

*THE MINISTRY OF PENSIONS AND NATIONAL INSURANCE* (New Whitehall Series); By SIR GEOFFREY S. KING. London, George Allen and Unwin, 1958, 162p. 18s.

This book, the latest of the New Whitehall Series, is a welcome addition to the steadily increasing number of informative books on the administrative machinery of the U.K. Government. The Ministry of Pensions and National Insurance is concerned, more than any other department of Government, with the daily life of the common man, for it

is responsible for collecting the weekly insurance contribution from some 24 million people, for paying sickness benefit at any one time to over 800,000 persons, and for handling over 3 million families drawing family allowances and 800,000 war pensioners. About £630 million are collected annually in contributions and £850 million paid out in

cash allowances. It is the function of the Ministry to ensure that this truly stupendous task, involving as it does collections from, and payments to, millions of people, is carried out efficiently and punctually to the satisfaction of the beneficiaries living in every nook and corner of the country.

The book has been written mainly from the point of view of the administrator, and the author has, therefore, referred to only such details of the various schemes as have a direct bearing on administration. While the account is adequate for persons familiar with the functioning of the schemes, a somewhat more elaborate treatment of the various subjects, as for instance, the working of the central offices at Blackpool and New Castle, might have enabled readers outside official ranks to understand and appreciate more effectively the problems facing the Ministry. Nevertheless, the administrative arrangements and the special system of adjudication, which is the back-bone of the National Insurance Scheme, have received adequate attention at the hands of the author.

Against the background of the general suspicion of the ability of civil servants "to handle humanely the large section of the public that would resort to the Ministry in sickness, injury and old age", it is a great achievement on the part of the Ministry now to be able to declare that "these fears have been confounded by experience." The portion describing the elaborate arrangements required for the launching of the various schemes, the complexities involved in the taking over of the large number of approved societies with the varying rights of their members, the problems created by the frequent changes in rates of benefits, and the determined way in which they were tackled makes interesting

reading. We in this country who are still engaged in the implementation of a comparatively limited social security scheme are greatly interested to know how a much larger problem has been handled apparently to the satisfaction of all concerned.

In India, we have no Ministry in which all payments of pensions and benefits are concentrated. We are still in the position in which U.K. found herself before the formation of the Ministry of Pensions and National Insurance in 1953. Even in the field of national insurance, the scope of our social security scheme is very limited. We have not yet been able to make any provision, on a nation-wide scale, for unemployment benefits, retirement pensions or family allowances. There are certain features which distinguish our social security scheme from the national insurance scheme of U.K. In U.K., the functions of deciding the merits of a claim and of making payment have been completely separated, the former being performed by a hierarchy of statutory authorities, viz., the Insurance Officer, the Local Tribunal and the Insurance Commissioner, while the latter is attended to by the managerial staff. The functions of the statutory authorities are mainly judicial and though some of them are civil servants working under the Minister, they are independent in the discharge of their functions. There are indications in the book of proposals to further strengthen the independence of these authorities. The recommendations made by the Committee on Administrative Tribunals and Enquiries "would have the effect of removing from the Minister most of the responsibility for the conduct of local tribunals." In India both the functions are combined. It is the Local Office Manager and the Regional Director who decide all claims and make payments. Though they are never interfered

with, they are subject to guidance and direction from headquarters. The claimant can also seek further redress in an Employees' Insurance Court which, though independent in all respects, functions like an ordinary civil court having no specialized knowledge of social security. Similarly in respect of employment injuries, the two questions which arise, viz., whether the accident arose out of and in the course of employment and if so, what is the extent of disablement, are somewhat differently dealt with in the two countries. In U.K., the first question is decided by the statutory authorities mentioned above, while in India it is the Local Office Manager, controlled by the Regional Director, who decides the issue. As for the second question, there are medical boards in both the countries to decide the extent of disablement. The working of a large number of medical boards in this country has led to lack of uniformity and to a demand for effective co-ordination. It is not clear whether the same problem has arisen in U.K. or how it has been solved.

On the administrative side, we broadly follow the British pattern of having self-contained local offices. There is, however, no concentration of records as at Blackpool and New Castle; nor have we attempted large-scale mechanization. At present contribution cards are centralised at the Regional Offices and efforts are being made to decentralise the procedure still further by remitting records to local offices.

The emergency arrangements to meet the influenza epidemic men-

tioned at page 38 make interesting reading as we too were faced with a somewhat similar situation last year. While the manner in which the emergency was dealt with has been briefly mentioned, we should have been greatly interested to know whether there arose complaints on a large scale, whether prompt arrangements were possible in all cases, whether the reinforcement of local offices in certain areas resulted in undue depletion of staff elsewhere leading to consequential complications, and whether recruitment of additional staff on a temporary basis was found necessary or feasible.

It is interesting to note how human frailty poses the same problems in U.K. as in India despite the high economic standards prevalent in the former country. It has been mentioned that "out of every 100 people referred for further (medical) examination, some 20 send in final certificates, about 18 do not bother to attend and their benefit automatically ceases, about 12 attend and are declared fit for work and the remaining 50 continue on benefit." Our experience too is exactly the same, viz., that 60% of the cases return to work on the intervention of medical referees.

Though the book is inevitably replete with technical and departmental phraseology, the language used is simple and every effort has been made to make the treatment of the subject as interesting as possible. We welcome it as a clear exposition of a subject so vitally affecting the interests of a large section of the population.



**NATIONALISATION AND THE MANAGERIAL ROLE;** By J.V.S. RAMA SASTRI. Bombay, Popular Book Depot, 1957, 119p. Rs. 6.

The main purpose of Mr. Sastri is to compare the content of the management role in the private and the nationalised enterprises. He is concerned with the managerial functions, exclusive of internal administration *i.e.*, the entrepreneurial task of deciding on and taking a risk. The chief essentials of this function are mentioned as "co-ordination of factors of production, economic decisions, assuring financial stability and harmonising diverse interests." His main conclusion is that despite dissipation of managerial process in the private sector between the shareholders, directors and managing agents, and the limitations placed by law on public and social considerations; in the private sector, there is greater managerial initiative than in the nationalised sector. Incidentally he also deals with the question of suitable form for public enterprises. This work is a compilation of essays written from time to time and preserves rather heavily a good deal of digression of which the author is occasionally conscious.

Anyone presenting a theoretical study of the managerial role deserves sympathy for two reasons, (i) in this very young field of management, theory has not yet emerged, though some criteria are getting established, (ii) one gets out of dates so soon. Mr. Sastri has added to these handicaps by not distinguishing nationalised from original entrepreneurial role. His "aside", in the preface, that setting up of a public enterprise may be considered as a form of nationalisation for all practical purposes confirms absence of adequate analysis in distinguishing the two roles. In nationalisation, the primary managerial functions arise from the huge size and heterogeneity of the merged

units. The main problems are concerned with integration—organisational, technical and human. The nature of entrepreneurial content is different from that of the original. It is for this reason that the experience of nationalisation in U.K. is less relevant for our needs than, for instance, the experience and practices of giant scale organisations, may be even in the private sector, like the General Electric in U.S.A. or the Imperial Chemicals in U.K. and so on.

Mr. Sastri quotes enough authorities to bring out—and I believe correctly—that nationalisation in U.K. was a technical and organisational necessity. Nevertheless he does not hesitate in holding a firm view about nationalisation which is represented as "pre-conceived and pre-determined plan"....."having little regard to.....economic reason....." One is not certain which country he has in mind. Apparently it cannot be U.K. If he is referring to India he has not taken into account either the Industrial Policy Resolution or the discussion in the public and in the Government that preceded its finalisation. In any case, nationalisation is not the main purpose of the Industrial Policy Resolution in India.

In making this comparative study, Mr. Sastri draws general conclusions on the basis of individual instances where certain commercial or other decisions of the Board of Directors of a nationalised concern were overruled by the government. It is rather surprising that he should do so because he spent a good deal of effort, though unsuccessfully, in rebutting Mr. Burnham's thesis in his work "The Managerial Revolution" that in practice the management has passed over from the owners to the

Managers. He has tried to establish that the owners still have control; at any rate, he would like the owners to continue to play the managerial role. In regard to the "nationalised" sector, however, he would like the owner *i.e.*, government, to renounce the role of ownership. It is not suggested that there is no need for making arrangements which minimise the impact of political considerations and short-term outlook in the management of public enterprises.

Secondly, he has not applied, the test of "objectives" ever based on the rather incomplete analysis of the "managerial role". He has thus missed the "extraordinary entrepreneurial initiative shown by the nationalised Boards.

There is another major error in the comparative study. In comparing the scope for managerial initiative, he mixes up the level of managers when he compares the two sectors. He compares the top-management level of the private sectors with the level of the managing directors or the Board of Directors in the public sector. A comparative study has first to discover where those entrepreneurial decisions are taken. He should have taken into account the entrepreneurial role being played by the Ministries, by the National Industries Development Council, the Railway Board, the Boards of Directors of various concerns and the Managing Directors and their teams. An entrepreneurial initiative is not a question of putting the last signature on a decision. It involves integration of number of skills. Persons who are responsible for initiating and influencing the process of decision making make possible the entrepreneurial role. This is one of the major reasons why the management role has shifted away from the owners. Reputedly effective entrepreneurial organisations

like the Imperial Chemicals (U.K.) the General Electric (U.S.A.) have Boards of Directors who are whole-time servants of the Corporations.

In regard to the suitable form of public enterprise, Mr. Sastri regards the public corporation type as "the least divergent of all the forms (*i.e.*, the departmental, company and the corporation) from the system of private enterprise in maintaining managerial functions. If the provisions in the Corporations Act and the Article of Associations had been analysed, it would have become clear that the degree of decentralisation has no relationship with the term corporation or company but is related to the needs of individual enterprises. The joint stock company is considered of no benefit from the angle of "managerial convenience"; unsuitable because the Directors are not owners. Mr. Sastri claims that the company form of management deprives the Parliament of its legitimate right to check and supervise the enterprise. Apparently, Mr. Sastri leaves out of account the extraordinary initiative taken by the Estimates Committee in regard to public enterprises, almost to the extent that the powers denied to the Minister, have been permitted to the Estimates Committee when they go in for scrutiny. The Estimates Committee has permitted itself no limitations. One does feel uncertain as to the propriety of isolating the Minister while allowing the Estimates Committee to do what amounts to detailed supervision and retrospective assessment of individual decisions as distinguished from judging the management by the test of the objectives.

The issue of the suitable form of organisation for public enterprises is not often considered in relation to the ends to be secured and the strategic factors required for securing these ends. The discussion normally centres round the term autonomy,

an undefined, if not undefinable concept, which, at best, is relevant as a means to an end. The test of an appropriate organisation is its effectiveness. Assessed from this criteria in India itself we have examples of effective departmental management as in the case of Chittaranjan Locomotive Works or Integral Coach Factory or Bhakra Dam or Hirakud Dam, and also of company form of management as in Sindri, and so on.

In regard to public sector in India, it is recognised that the normal administrative and financial procedures in regard to methods of recruitment, scales of pay and conditions of service and discipline of employees, the procedure for obtaining for funds and incurring of expenditure, the system of accounting, the methods of purchase of raw materials and the sale of products, etc. devised for the departmental administration, after long experience, are not quite suitable. Moreover, when a government undertakes an industrial activity in which it may have to compete with the private sector, it is necessary to establish reliable standards of comparison in order to secure maximum productive and competitive efficiency. This can be secured if

the enterprises are managed on commercial lines, adopt commercial forms of accounting and are operated, financed, taxed and audited in the same manner as enterprises in the private sector. It is accepted that the largest measure of financial and administrative autonomy should be conferred on the management.

The joint stock company is regarded as suitable for enterprises concerned with manufacture and sale or where the concern is financed by more than one government or where a private enterprise is associated. In undertakings for which powers and functions of a company may be inadequate, such as, (a) public utility undertakings, (b) enterprises which involve exercise of powers which can only be conferred by legislation, (c) enterprises which may not be commercially self supporting and have to be financed by regular grants from the government, etc., a statutory corporation would be necessary.

Is this a valid approach?

It is not the form that is really significant but the tests of speed in decision making and action; balance between speed in decision making and quality of decisions; adaptability for growth and building up of personnel.

—P.C. Suri

## BOOK NOTES

**HUMAN RELATIONS AND MODERN MANAGEMENT:** By E.M. HUGH-JONES. Amsterdam, North-Holland, 1958, x, 256p.

It is a collection of eight original, thought-provoking contributions, with one exception all by academicians with specialised study of the subject to their credit. The general theory of management is first outlined in terms of 'span of control'; and the problem of widening and deepening the 'span', to avoid resort to splitting up the organisation, is

discussed in detail. Then follows an analysis of the particular setting of work—the factory—with its multiplicity of relationships; morale is viewed as a factor of security and participation in the preliminary stages of decision-making process. In the three succeeding chapters the implications of human relations for management are brought out with particular reference to three situations—the shop floor, when labour is organised, and in the Board room. A full chapter is devoted to the problem of the inter-action between

the size of the enterprise and human relations. In the final chapter is considered the function of management in the field of human relations; the different ingredients of the concept of human relations are analysed. The main theme centres around the integration of the objectives and interests of the company and its workers through the maintenance of productive relations at work, opportunity for self-realisation, and appropriate, possible, and just rewards. Motivation and morale, we are told, depend not on what the company does *for* its employees but what it does *with* its employees. At the end of the chapter are listed in detail, in two columns opposing each other, the assumptions for inadequate and adequate human relations policies and practices.

**SOME ASPECTS OF THE INDIAN ADMINISTRATIVE SYSTEM:** By SRI RAM SHARMA. Sholapur, Institute of Public Administration, 1957, vii, 160p. Rs. 5.

The book is divided into two parts. One part consists of 10 studies which attempt to describe, analyse and appraise various administrative practices in India and suggestions for reform made during the last decade or so. These studies cover: big government and its civil servants; public enterprises; treasury control and auditor-general; public service commissions; parliamentary control of public administration; planning commission; an American appraisal of Indian administration; and some post-Independence problems. The second part contains simplified and abridged versions of the two Appleby reports, a digest of the Gorwala report on public administration and Mrs. Ursula Hicks' papers on "The Institutional Framework of Indian Public Finance". Prof. Sharma's criticism of some of the observations and recommenda-

tions made by Mr. Appleby, is sharp but thoughtful. The publication suffers from some overlapping resulting from the arrangement of the subject matter.

**MANAGEMENT AND ORGANISATION:** By LOUIS ALLEN. New York, McGraw Hill, 1958, xi, 353p. \$7.00

The book is based on a first-hand study and investigation of key factors in the development of some 230 companies and the methods of management and organisation that enabled them to assume a commanding position in business. The author, who holds a top position in a large business undertaking, analyzes the new, unified concept of management into five major elements: 'planning', 'organising', 'co-ordinating', 'motivating' and 'controlling'; the non-management components of a manager's job comprise 'operating'; and his total work is termed by the author as 'administration'. There are interesting chapters on divisionalisation, delegation, centralization and decentralization, staff and line relationships, and top management organisation. The last two chapters are devoted to the problem of changing organisational structures to meet new demands and situations. The contemporary policies and practices of some of the leading American companies are cited (with names) in support of the concepts and conclusions put forward by the author.

**THE FRENCH POLITICAL SYSTEM:** By MAURICE DUVERGER. Chicago, University of Chicago Press, 1958, xii, 227p. \$4.00.

Written expressly for American students, it is a realistic and critical analysis of the strengths and weaknesses of the French political system—its institutions of government, the forces that impinge upon its

political process, theories and concepts of French democracy, the mechanisms for protection of personal rights and the problems France is facing today. A full chapter (No. 11) is devoted to the development in the field of local government and the French Civil Service, particularly since 1945 the Senior Civil Service is remarkably stable, and according to Prof. Duverger's diagnosis, France suffers not from excessive instability but from excessive stability or what has been called since 1953-54, French *immobilisme*, or inability to take decisions—a crucial limitation for a nation that has important decisions to make.

**REPORT ON THE ADMINISTRATIVE SURVEY OF THE SURAT DISTRICT;** By N.B. DESAI. Bombay, Indian Society of Agricultural Economics, 1958, xxv, 336p. Rs. 12.

The Report contains the findings of a study undertaken by the Indian Society of Agricultural Economics in 1955 on behalf of the Research Programmes Committee of the Planning Commission. It is divided into three parts. The first part gives a historical review of the district administration in the Moghul and British periods and of the developments in the post-independence years; and it further outlines, in general, the present structure and set-up of administration in the Surat District. The second part contains a detailed analysis of the procedures and practices followed in revenue offices from the Collector's office to the lowest village unit. In the third part, the role of statutory and non-statutory agencies connected with district development activities is examined critically, as also the problem of co-ordination between departments of district administration and district development agencies. Shri Manilal B. Nanavati, in his

preface, pinpoints the important findings of the survey: lack of a sense of urgency among the officials in the implementation of new development programmes; an increasing centralisation of functions which thwarts the initiative of capable and able officials; overburdening of the district revenue administration with multifarious duties arising out of expanding functions of a Welfare State; and the essential inter-relation between departments of district administration and district development agencies. Among the more important recommendations are that the name of the Land Revenue Department should be changed into 'Department of Land Reforms'; the present Surat District should be divided into two or three units for administrative convenience; there is urgent need for decentralization of functions at all levels and for simplification of rules and financial practices (detailed proposals have been made in these matters); agencies for rural reconstruction—the multi-purpose co-operative society, the community projects and the national extension service, the village panchayat and the village school—should be properly strengthened; Taluka Local Boards composed of representatives of village panchayats should replace the existing Taluka association and Taluka Development Boards; and the present District Development Boards should be expanded into District Development Councils.

**OFFICE ADMINISTRATION:** Ed. By GEOFFREY MILLS and OLIVER STANDINGFORD. London, Sir Isaac Pitman, 1958, xii, 250p.

In about 250 pages in all, the book provides a stimulating account of modern techniques of office management. The contributors, all recognized authorities on their subjects, deal with the whole gamut of office administration—Office

Organisation, Control, Staffing, Supervision and Planning. The language is simple and concise, and free from technical jargon; the account, though it deals with the essentials only, is marked by a depth of approach. Though officially recommended by the Council of the Office Management Association, Great Britain, as the textbook for students taking examinations in office administration, the publication has a good deal to offer even to those who are engaged in the management of an office.

*TOWARD THE COMPARATIVE STUDY OF PUBLIC ADMINISTRATION*: Ed. By WILLIAM J. SIFFIN, U.S.A., Department of Government, Indiana University, 1957, v. 331p. \$3.91

This is a monograph of eight papers, seven of which were originally prepared for presentation before a graduate seminar in comparative administration at Indiana University. The monograph embodies a commendable attempt 'to penetrate somewhat below traditional levels of description found in the comparative study of government and public administration, and particularly to transcend the limits of analysis imposed by the principles of ethnocentric Western-oriented public administration and political science'. It contains two sets of materials for the comparative study of public administration—a broad methodological pattern and a series of specific cases. The first type comprises (1) a survey, by William J. Siffin, of the developments, during the last decade or so, concerning perspectives, concepts, methodology and contents of comparative studies in public administration, and (2) "Agraria and Industria", by Fred W. Riggs, a scheme of conceptual models for purposes of a comparative study of administrations in agricultural and industrial societies. "Agraria" has two

sub-types 'Imperial-Bureaucratic' and 'Feudalistic'; "Industria" too has two: "Democratic" and 'Totalitarian'. The public administration systems and practices in these models are viewed in the light of the economic, social, ideological and political settings of which they are a part. Part II of the monograph consists of six "country studies"—of the administrations of Philippines (by Ferrel Hedy), Thailand (by James N. Mosel), Turkey (by Lynton K. Caldwell), Egypt (by Walter R. Sharp), Bolivia (by Albert Lepawsky), and France (by Alfred Diamant). It is left to the reader and the student to check how far these 'case' studies fit the model and how far does the model add meaning to the 'cases'. The comparative study of public administration has received an impetus with the post-war development of the U.N. and the American programmes of technical assistance in the field of public, economic and social administrations, which have particularly facilitated the study of the administrative systems of underdeveloped countries. This incursion of new data, and the growing 'behavioral' and interdisciplinary approach to comparative studies in social sciences, have led to a rethinking of the perspectives and the methodology of the comparative studies in public administration; it is now being increasingly felt that no science of public administration is possible without transcending the particular national settings and also assimilating at the same time a vast array of conditioning factors which comprise 'the administrative context'. The Indiana University monograph makes a significant contribution towards the study and application of these new approaches, which are obviously of special interest to 'transitional societies, like those of South Asia, for a better understanding and improvement of their administrative

systems and practices in the light of their overall needs.

**MANAGERIAL PSYCHOLOGY:** By HAROLD J. LEAVITT. Chicago, University of Chicago Press, 1958, xi, 335p. \$5.00

Using the phrase "human relations" sparingly, Dr. Leavitt applies the latest researches in the psychology of human personality and group dynamics to the major categories of personal and social problems that the modern manager is likely to meet: of using himself to solve the numerous managerial issues; of influencing particular individuals to help him do his job; of utilizing groups of people in teams and committees, groups whom he must lead and stimulate; and, finally, of motivating and co-ordinating the efforts of large groups who work 'under' him, but whom he seldom encounters face to face. The last chapter discusses the unrealistic assumption of the traditional organisational theories in regard to human motivation, rationality, shared goals and the nature of managerial problems; An attempt is also made to outline the major premises of a new theory of organization, such as decision making, information and communication, partially rational behaviours; etc. Though the book is primarily written in theoretical terms, the presentation is simple, straightforward and practical.

**EXECUTIVES FOR GOVERNMENT** By PAUL T. DAVID & ROSS POLLOCK; Washington Brookings 1957, x, 186p. \$ 1.50.

Specially prepared for the Brookings Institution by Paul T. David, Director of its Government Studies, and Ross Pollock, Chief of the Career Development Programme of U.S. Civil Service Commission, the study provides an illuminating in-

sight into the contemporary practices and thought about securing, developing and retaining higher administrative personnel, both political appointees and civil servants, for the federal government in the United States. In the context of the American Presidential type of democratic government and the American party system, the study discusses in detail the advantages and disadvantages of the different, alternative courses of action to resolve four major current issues of public policy: (1) provision of sufficient supply of qualified political executives for the executive branch of the federal government; (2) the relative emphasis to be given in filling the higher non-political posts in the civil service to recruitment on the basis of a career service and on an *ad hoc* basis for particular programmes and operations; (3) the choice between alternative senior career service systems; and (4) drawing the line between political and non-political appointments in the upper levels of the federal service, such a line is to be drawn. On the first problem the authors favour the recommendations of the second Hoover Commission. The different elements and relative merits of recruitment on the basis of a career service and on an *ad hoc* basis for particular programmes are analysed in the light of the needs of new agencies, new programmes in old agencies and agencies designated by law for special treatment. *Ad hoc* recruitment on the basis of particular programmes enables the administrative agency to secure personnel possessing specialised training and experience for particular jobs or special aptitude for a particular programme, without resorting to an enlargement of the area of political appointments. The difficulties experienced in recruiting qualified and competent personnel above the lower levels have led to an emphasis

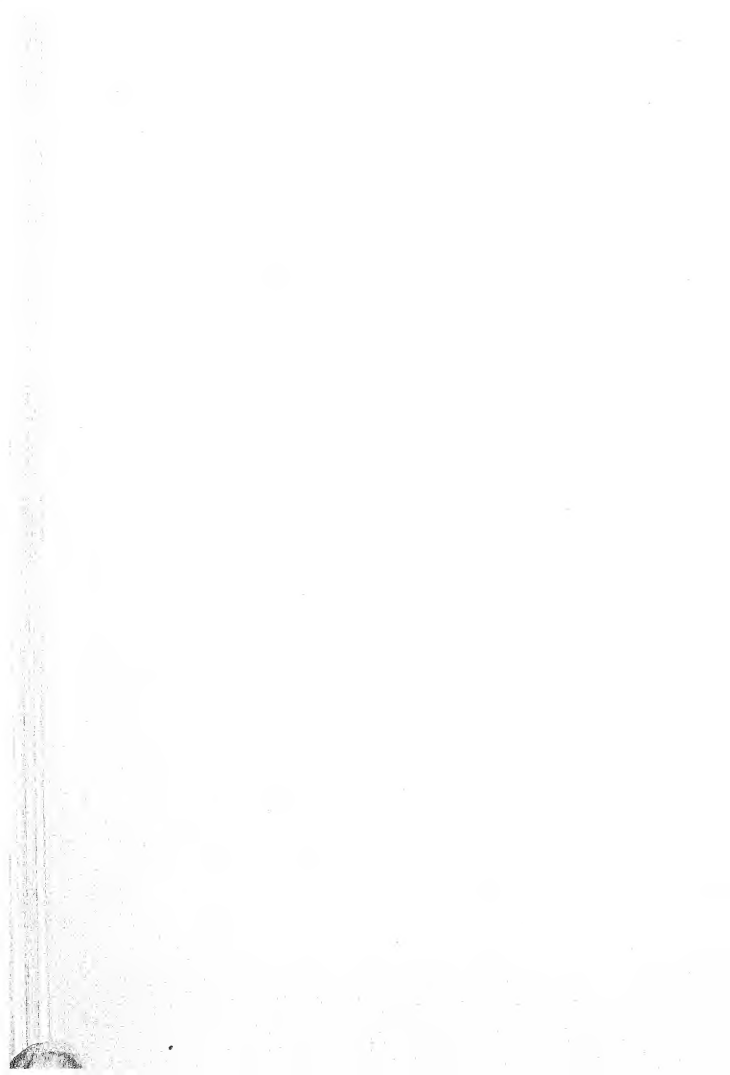
on the development of 'career' service cadres within U.S. government offices and agencies; but these cadres are open for higher-age, lateral recruitment at the intermediate and high levels. Four alternative courses are discussed in regard to the senior civil service system; (1) the Hoover Commission proposals for a Senior Civil Service; (2) a Career Administrative Service; (3) a senior service limited to incumbents of the super-grades in the Federal Service; and (4) improvement of existing career developments programmes. The authors favour the last mentioned course which alone is likely to cause least disturbance and resistance, and which also underlies the new "Career Executive Programme within the Civil Service System" instituted by the U.S. Government in March last after the publication of the book. On the fourth issue, the proposals of the Hoover Commission for drawing a line between the political and career appointments below the sub-Cabinet positions and above the bureau heads, and of an almost complete withdrawal of the civil servants below this line from policy determination and representation before the Congress, are considered impracticable. The authors recommend the creation of a flexible buffer zone of semi-political positions to be manned by 'programme-oriented' political appointees and also by similar career civil servants. The study finally pinpoints that the Hoover Commission's assumption of a responsible party system, on which their recommendations were based, is hardly a fully accurate view of current reality and that 'any

solution of the issue of senior career service systems must either be built directly on a defensible theory of the party system or alternatively—and this may be the wiser course—must be developed on a basis compatible with a wide range of variation in the future behaviour of the party system'.

*THE REPUBLICAN ERA : 1869-1901—A Study in Administrative History*; By LEONARD D. WHITE. New York, Macmillan, 1958, viii, 406p., \$6.00.

This is the fourth illuminating and authoritative study by Dr. Leonard White of the evolution and growth of the administrative system of the U.S. federal government; it covers the period 1869 to 1901 (beginning with Grant's administration and ending with the assumption of the presidency by Theodore Roosevelt). The two major problems that occupied the centre of the administrative stage in this period were the relation of Congress to the President and their respective roles *vis-a-vis* the administrative system, and reform of the civil service. The book, "like its predecessors, *The Federalists*, *The Jeffersonians* and *The Jacksonians*, is a study of institutions, but illuminated..by sketches of the men who operated them. Behind men and institutions stand the ideas and ideals of succeeding generations which bind all together into a stable whole". The study is characterised by lucidity of expression, deep insight into administrative developments and profound scholarship.





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### COMPTROLLER & AUDITOR-GENERAL OF INDIA AND THE U.K.—A COMPARISON<sup>1</sup>

*S. L. Shakhder*

THE Comptroller & Auditor-General of India is appointed by the President by warrant under his hand and seal and he can only be removed from office in like manner and on like grounds as a Judge of the Supreme Court<sup>2</sup>. The President makes the appointment to the office of the Comptroller & Auditor-General on the advice of the Prime Minister. The incumbent of the post is usually one who has held high appointments in the Central Government Secretariat, for a wide knowledge and experience of the administration of the Government Departments are considered indispensable to this office.

The Comptroller & Auditor-General, before he enters upon his office, makes and subscribes before the President or some person appointed in that behalf by the President an oath or affirmation according to the form<sup>3</sup> set out in the Constitution.

<sup>1</sup> The article is based on the writer's first hand knowledge of the working of the Public Accounts Committee in India and on the discussions which he had in London some years ago with late Sir Frank Tribe, Comptroller & Auditor-General of the U.K. and with the Clerk of the House and the Clerks of the Financial Committees of the House of Commons and the written material supplied.

<sup>2</sup> Clause (4) of Art. 124 of the Constitution says :

"A Judge of the Supreme Court shall not be removed from his office except by an order of the President passed after an address by each House of Parliament supported by a majority of the total membership of that House and by a majority of not less than two-thirds of the members of that House present and voting has been presented to the President in the same session for such removal on the ground of proved misbehaviour or incapacity."

<sup>3</sup> The form of oath/affirmation is as follows :

"I,....., having been appointed Comptroller & Auditor-General of India do swear in the name of God/solemnly affirm that I will bear true faith and allegiance to the Constitution of India as by law established, that

The Comptroller & Auditor-General has full administrative control over all the officers and staff serving in the Audit Department except that first appointments to the Indian Audit & Accounts Service are made by the President and powers regarding major disciplinary action in regard to the officers of that service, *viz.*, dismissal and removal from service vest in the President. The President can prescribe by rules the conditions of service of persons serving in the Audit and Accounts Department and the administrative powers of the Comptroller & Auditor-General only after consultation with the Comptroller & Auditor-General<sup>4</sup>.

The Comptroller & Auditor-General submits his Audit Report relating to the accounts of the Union to the President and that relating to the accounts of a State to the Governor of the State. The Constitution requires the President and the Governor to cause it to be laid<sup>5</sup> before each House of Parliament or before the legislature of the State as the case may be.

The salary and other conditions of service of the Comptroller & Auditor-General are required to be determined by Parliament<sup>6</sup> by law and neither his salary nor his rights in respect of leave of absence, pension or age of retirement can be varied to his disadvantage after his appointment. The Comptroller & Auditor-General (Conditions of Service) Act, 1953, regulates certain conditions of his service in the matter of term of his office and pension. Other conditions of service, save as otherwise expressly provided for in the Act, are as specified in the Second Schedule of the Constitution. Under the Act, his term of office is fixed at 6 years. He is debarred<sup>7</sup> from eligibility for further office either under the Government of India or under the Government of any State after he has ceased to hold his office. The administrative expenses of his office are charged<sup>8</sup> upon the Consolidated Fund of India.

No Minister represents the Comptroller & Auditor-General in the Houses of Parliament and no Minister can be called upon to take any responsibility for any actions done or omitted to be done by him.

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I will duly and faithfully and to the best of my ability, knowledge and judgment perform the duties of my office without fear or favour, affection or illwill and that I will uphold the Constitution and the laws."

<sup>4</sup> Art. 148 (5) of the Constitution of India.

<sup>5</sup> Art. 151, *ibid.*

<sup>6</sup> Art. 148(3), *ibid.*

<sup>7</sup> Art. 148(4), *ibid.*

<sup>8</sup> Art. 148(6), *ibid.*

All the foregoing provisions go to show that the Comptroller & Auditor-General is an independent authority, free from control by any executive department of the Government or the Government of the day.

The Comptroller & Auditor-General is required to perform such duties and exercise such powers in relation to the accounts of the Union and of the States and of any other authority or body as may be prescribed by or under any law by Parliament and, until provision in that behalf is so made, to perform such duties and exercise such powers as were conferred or exercised by the Auditor-General of India immediately before the commencement of the Constitution in relation to the accounts of the Dominion of India and of the Provinces respectively<sup>9</sup>. Parliament has not so far prescribed by any law<sup>10</sup> the duties and powers of the Comptroller & Auditor-General. Some Acts<sup>11</sup> of Parliament constituting corporations or other bodies

<sup>9</sup> Art. 149, *ibid.*

<sup>10</sup> It has been stated recently that a Bill on the subject is under preparation and will be brought before Parliament in due course. It is likely that the comments of the Public Accounts Committee may be invited on the Bill. In this connection, it may be noted that in the U.K. the first Exchequer and Audit Department Bill was prepared by the Treasury with the assistance of the Board of Audit and was introduced in the House by the Prime Minister. The Bill was committed by the House to the Public Accounts Committee which was then five years old. The Committee considered the clauses of the Bill, took evidence on it and made certain amendments.

See paragraph 2 of the historical memorandum prepared by the Comptroller & Auditor-General which was attached to the report of 1916 Public Accounts Committee.

- <sup>11</sup> (a) Damodar Valley Corporation Act, 1948.  
 (b) The Employees' State Insurance Act, 1948.  
 (c) Industrial Finance Corporation Act, 1948.  
 (d) Rehabilitation Finance Administration Act, 1948.  
 (e) Air Corporations Act, 1953.

See also Section 619 of the Indian Companies Act, 1956, which provides as follows :

"619. *Application of sections 224 to 233 to Government Companies:* In the case of a Government company, the following provisions shall apply, notwithstanding anything contained in sections 224 to 233.

(2) The auditor of a Government company shall be appointed or re-appointed by the Central Government on the advice of the Comptroller and Auditor-General of India.

(3) The Comptroller & Auditor-General of India shall have power :

(a) to direct the manner in which the company's accounts shall be audited by the auditor appointed in pursuance of sub-section (2) and to give such auditor instructions in regard to any matter relating to the performance of his functions as such;

have in individual cases prescribed that the Comptroller General should conduct the audit of such corporations or bodies. In the main, therefore, his duties continue to remain the same as were being performed by the Auditor-General of the Dominion of India before the Constitution came into force in accordance with Government of India (Audit & Accounts) Order, 1936, as adapted by the India (Provisional Constitution) Order, 1947.

Before the Constitution came into force, the functions of the Auditor-General of the Dominion of India included keeping of accounts for Civil (except Railways) and P. & T. Departments of the Government and also making of payments in certain cases on their behalf—functions which normally belong to administrative departments. The transfer of accounting functions relating to railways from the Auditor-General to the Railway authorities was completed by stages in 1929. The Defence accounts have always been under the control of Financial Adviser—Defence Finance—a wing of the Ministry of Finance of the Central Government. The Initial & Subsidiary Accounts Rules<sup>12</sup> placed the responsibility for keeping the initial accounts on Treasuries and Departmental officers. The responsibility for payment by the offices under the control of the Comptroller & Auditor-General (*i.e.*, Civil Accountants-General and Accountant General, Posts & Telegraphs) related to only a few provincial Head-quarter stations.

The above position still continues despite the fact that Parliament and the Public Accounts Committee have repeatedly pointed out the desirability of transferring the remaining accounting and payment functions to the administrative departments. Through the concerted efforts of the Comptroller & Auditor-General and the

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(b) to conduct a supplementary or test audit of the company's accounts by such person or persons as he may authorise in this behalf; and for the purposes of such audit, to require information or additional information to be furnished to any person or persons so authorised, on such matters, by such person or persons, and in such form, as the Comptroller & Auditor-General may, by general or special order, direct.

(4) The auditor aforesaid shall submit a copy of his audit report to the Comptroller & Auditor-General of India who shall have the right to comment upon, or supplement, the audit report in such manner as he may think fit.

(5) Any such comments upon, or supplement to, the audit report shall be placed before the annual general meeting of the company at the same time and in the same manner as the audit report.

<sup>12</sup> The rules were made under sub-para (3) of Para 11 of the Government of India (Audit and Accounts) Order, 1936.

Government to bring about this obvious reform, some headway in a small measure has been made recently. But the scheme of separation of accounts from the audit shows no marked progress or early fulfilment on the ground of deficiency of trained manpower and extra cost involved<sup>13</sup>. Therefore, in spite of the Constitutional provisions placing the Comptroller & Auditor-General in an entirely independent position, a certain subordination on his part to the Government in so far as accounting and payment functions are concerned is implied, though under a well regulated convention which Government fully and scrupulously observe, Government seldom interfere in the discretion of the Comptroller & Auditor-General in his day-to-day administration.

The combination of audit functions with the accounts and

<sup>13</sup> Sometimes other arguments against the separation of accounts from audit are put forward. In the opinion of the present writer they seem to be based on expediency and practical difficulties in the working of the scheme as opposed to the fundamental principle of having a small, compact, efficient and totally independent audit organisation in accordance with the spirit and provisions of the Constitution. Such arguments briefly summarized, are as follows :

(i) Accounting and audit functions are inter-related. The pre-check of claims before admission for payment, the examination of contract documents, etc. with reference to financial principles and practices undertaken in accounting are essentially audit processes. Therefore, there is nothing inherently wrong in combining the two functions.

(ii) An audit independent of administration is necessary to ensure that the internal accounting organisation has not slurred over its responsibility and has not been coerced by the administration in admitting questionable claims and overlooking irregular practices. Where the accounting organisation itself is outside the control of the administration, there does not appear to be any objection in the combination of the two functions.

(iii) Under the rules at present in force, certain responsibilities in the field of accounts have been imposed on the Comptroller & Auditor-General. Therefore, arrangements will have to be made for the consolidation of departmental accounts and the compilation of finance accounts of the Central and State Governments as a whole. This co-ordinating role will imply that uniformity in accounting principles and processes in the units dispersed in the various Ministries has to be maintained. In this connection, the recent reorganisation of the States on linguistic basis, where official business is transacted in the language of the States, has raised yet another obstacle in the way of uniform accounting procedure.

(iv) As the Constitution provides for a single Comptroller & Auditor-General unlike other federal Constitutions, the implication of the disintegration of a specialised department which has been built up over a period of a century with traditions of integrity and efficiency have to be studied carefully.

payment functions is likely to bring—and it frequently does bring—the Comptroller & Auditor-General under an indirect control of the Minister of Finance, for the Minister is very often called upon to answer questions in Parliament on matters which are handled by the Comptroller & Auditor-General on his behalf. The Speaker of the Lok Sabha, the late Shri G.V. Mavalankar, ruled that so long as the Comptroller & Auditor-General was responsible for maintaining accounts in addition to conducting audit, admissibility of questions relating to the former must be regulated as in the case of any other Ministry. In regard to audit functions of the Comptroller & Auditor-General, questions relating to day-to-day administration are not normally admitted, but questions involving supply of factual data or statistics or on matters which have a bearing on policy may be admitted. Normally such questions are admitted for written answer only so that the need for raising supplementaries may be avoided. The Minister of Finance, who is responsible for answering such questions in the House, in practice gets the material for answer from the Comptroller & Auditor-General and places it before the House and may answer supplementaries from such additional material as the Comptroller & Auditor-General may have furnished him. In case the Minister has no information, he informs the House that he will request the Comptroller & Auditor-General to look into the matter.

## II

In the U.K., the Comptroller & Auditor-General—his full title being “Comptroller-General of the Receipt & Issue of Her Majesty’s Exchequer and Auditor General of Public Accounts”—is appointed by the Crown by Letters Patent on the advice of the Prime Minister, but he is not required to make and subscribe an oath or affirmation before he enters upon his office. Like his Indian counterpart, the person appointed to the office has always held senior appointments in the Civil Service. The Comptroller & Auditor-General holds his office during good behaviour, subject however to his removal therefrom by the Crown on an address from the two Houses of Parliament. The Comptroller & Auditor-General is regarded as an officer of Parliament and his functions are set out in the Exchequer and Audit Department Acts of 1866 and 1921.

The duties and functions of the Comptroller & Auditor-General are or can be imposed upon him by (1) statutes, and (2) the Treasury. In carrying out the first of these, the Comptroller & Auditor-General is not responsible to the executive. Questions in Parliament about his activities in this respect would be

out of order as involving no Ministerial responsibility and therefore would not be received at the Table. If it were to be alleged that the Comptroller & Auditor-General is not carrying out these duties properly, it will be in order, though in fact it has never been done, for the Member making the allegations to put down a motion for an address to the Crown asking for the removal of the Comptroller & Auditor-General. In considering the Comptroller & Auditor-General's functions, it must be borne in mind that the questions arise from the desire for information of an individual Member, not of the House. Since the Comptroller & Auditor-General is regarded a servant of the House and not of an individual Member, a question is not the appropriate method for eliciting additional information from him. The proper procedure is to move for a Return ordering him to produce the required information. But, here again, this procedure has never been adopted.

As regards the second category of the Comptroller & Auditor-General's duties, however, he is differently placed since the executive lays those duties upon him and so, to the extent Ministerial responsibility exists, questions are in order. Questions asking, for example, whether accounts not previously subject to the audit should in future be made so subject, have frequently been admitted. Questions concerning the establishment<sup>14</sup> of the Exchequer and the Audit Department, the staff of which are civil servants, can similarly be asked. Such questions would be addressed to the Chancellor of the Exchequer and answered by the Financial Secretary to the Treasury. He would, of course, take the responsibility for answering any supplementary questions although in case of doubt it would be for the Chair to decide whether the supplementaries to the questions are in order.

In the U.K., the Comptroller & Auditor-General is concerned with the Audit & Exchequer functions only. Every appropriation account<sup>15</sup> is examined by him on behalf of the House of Commons and in the examination of such accounts the Comptroller & Auditor-General satisfies himself that the money expended has been applied to the purpose or purposes for which the grants made by Parliament were intended to provide and that the expenditure conforms to the authorities governing it<sup>16</sup>. The Comptroller & Auditor-General is required to report to the House of Commons any important change in the extent or character of any examination made by him.

<sup>14</sup> The total staff of Audit Department is 500 of which 400 are auditors.

<sup>15</sup> There are 160 Appropriation Accounts.

<sup>16</sup> Section 26(7) of the Exchequer and Audit Department Act, 1866.



The Comptroller & Auditor-General is also required to examine on behalf of the House of Commons all the statements of accounts showing the income and expenditure account of any ship-building, manufacturing, trading or commercial services conducted by any Department of the Government, together with such balance sheets and statements of profit and loss and particulars of costs as the Treasury may require them to prepare and he shall certify and report on them to the House of Commons.

Both in India and the U.K., the Comptroller & Auditor-General may undertake by consent the audit of accounts<sup>17</sup> of *ex officio* transactions of Public Offices in non-voted money, of semi-independent or independent bodies and certain international bodies.

In the U.K., the dates when the accounts should be compiled by the Departments concerned and transmitted to the Audit Department and the reports thereon submitted by the Comptroller & Auditor-General to the House of Commons are laid down by the Exchequer and Audit Department Act and all concerned are required to conform to these dates. The time table is so devised that the accounts relating to civil services and revenue departments including all other trading accounts relating to ship-building, manufacturing, trading and commercial accounts should be presented to the House of Commons by the 31st January and the accounts relating to army, navy and air force should be presented to the House of Commons by the 15th March, after the termination of the financial year to which the relevant accounts relate.

In the U.K., the Comptroller & Auditor-General audits the accounts of the receipts of revenue and of every receiver of money which by law is payable into the Exchequer. In India, however, several important categories<sup>18</sup> of revenue are still not audited.

<sup>17</sup> In the U.K., such accounts cover a wide range of activity, some like the Hospital accounts directly financed from Votes and others like the Insurance Fund Account financed mainly from contributions. There are a number of semi-public accounts such as those of the Church Estates Commissioners. In all, he certifies about 370 accounts each year.

<sup>18</sup> At present, except in regard to customs, no test audit of revenue is being conducted by the Comptroller & Auditor-General. In his latest audit report, the Comptroller & Auditor-General has suggested that it would be desirable to conduct such checking of other revenue heads, especially income-tax.

In this connection, it is useful to bear in mind the following quotation from the review of the working of the Exchequer and Audit Department Act of 1866, prepared by the Comptroller & Auditor-General in the U.K. in 1916 :

"the knowledge that the Comptroller & Auditor-General was cognizant of the manner in which the dispensing power was exercised

Both in India and the U.K. details of the expenditure out of the secret service are not examined by the Comptroller & Auditor-General and Parliament is content with a certificate to the Appropriation Account saying that the amount shown in the account to have been expended is supported by certificates from responsible Ministers or officers, as in India the Secretary of the Ministry concerned gives the prescribed certificate.

In the U.K., it is laid down in the letter of appointment of Accounting Officers, who are as a rule permanent Heads of Departments and generally recognized by Ministers, that it is their duty to represent to Ministers their objections to any course of action which they regard as involving inefficient or uneconomical administration. If such objections involve the Accounting Officer's personal liability on a question of formal regularity or propriety, he has to set out his objections to the proposed expenditure and his ground for it, in writing, to his Minister, and he only makes the payment upon a written instruction from his Minister over-ruling the objection. After making the payment he informs the Treasury of the circumstances and sends the papers to the Comptroller & Auditor-General for the information of the Public Accounts Committee, which would no doubt then acquit him of any personal responsibility for the expenditure.

In India since the 20th August, 1958, when revised arrangements for financial control were introduced whereby wider financial powers were given to administrative Ministries and financial advice was decentralised, it has been laid down as follows :

“All cases in which the advice tendered by the Financial Adviser of the Ministry is not accepted should be referred to the Secretary of the Ministry for his orders and if the Secretary also differs from the advice, the case should be brought to the notice of the Minister. A monthly statement of cases, if any, where the Financial Adviser's views have not been accepted, giving a summary of the differences and the final decision should be forwarded by the Secretary of the Ministry to the Ministry of Finance for information, a copy being endorsed to the Comptroller & Auditor-General simultaneously.”

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and might report to the Public Accounts Committee any case in which he considered that the particular exercise of the power ought to be brought to the knowledge of the Committee or of Parliament would of itself act as a check against any undue inclusion owing to leniency on the part of the different revenue departments.”

## III

Both in the U.K. and in India audit reports of the Comptroller & Auditor-General stand automatically referred to the Committee of Public Accounts which in the U.K. consists of Members of the House of Commons only while in India it is a body composed of fifteen Members of the Lok Sabha, with which seven Members of the Rajya Sabha are associated at the request of the Lok Sabha, the request being renewed every year by a separate resolution of the Lok Sabha in which the Rajya Sabha is asked to concur before nominating its Members.

The functions of the Public Accounts Committee in the U.K. and India are respectively laid down in the Standing Orders of the House of Commons and in the Rules of Procedure of the Lok Sabha.

It is often stated that the function of the Public Accounts Committee—i.e., the scrutiny of Audit reports—is merely *post mortem*. Speaker Mavalankar, while speaking at the inaugural meeting of the first Public Accounts Committee which was set up after the Constitution came into force, deprecated this approach and asserted that the “Public Accounts Committee can influence a good deal even the running administration as we always profit by past experience.” As some one has said, the great progress which medical science claims today and has undoubtedly attained is mainly based on the detailed *post mortem* researches conducted all these years. Referring to the approach which the Public Accounts Committee should adopt in doing its work, Speaker Mavalankar made the following significant observations :

- (i) I have always believed that after all, whatever the quality and quantum of expert knowledge, it has to be tested by the service it renders to the common consumer and therefore the consumer's or the layman's ideals in this respect have to be taken into consideration.
- (ii) Members of Parliament will better understand the intention and the mind of Parliament than the Comptroller & Auditor-General and they can better exercise their discretion and judgment.
- (iii) We are divided, opposed, so long as we discuss a matter and so long as finality is not reached. The moment finality is reached it should be the effort of every one to support that. You are sitting in the Committee to go by what Parliament has laid down. The direct corollary is that there must not be any party politics so far as examination of the accounts is concerned.

- (iv) Even in cases where the Committee finds that money has not been properly spent or proper sanction has not been obtained or that the interpretation put by the executive officers or the Audit Department is wrong, we have to see their point of view and unless one is convinced by proof, not by mere suspicion, that there is something wrong somewhere in the sense that there is some misappropriation or mishandling of the money, our approach has always to be one of sympathy and one of give and take."

These principles cast a heavy responsibility on the Comptroller & Auditor-General to so conduct the audit of accounts that a really objective analysis of his findings is available to the Committee and the facts on which his observations are based are undisputed. This also means that only first class issues are brought before Parliament and the Public Accounts Committee through his reports and minor and technical details are eschewed.

Both in the U.K. and India, the reports<sup>19</sup> of the Comptroller and Auditor-General are the basis of the investigation of the Public Accounts Committee and, although they are necessarily brief, a whole year's work of the entire Department is available to the Committee. So far as the technical examination of the expenditure incurred by the Government Department is concerned, the Audit Department has delved deeply and brought to bear upon such examination all its expert knowledge and experience. It is then for the Committee of Public Accounts to apply its mind from the layman's point of view, as pointed

<sup>19</sup> In paragraph 1 (introductory) of Audit Report (Central Civil) 1955 the Comptroller & Auditor-General has stated as follows :

"Irregularities in respect of which adequate remedial measures including suitable disciplinary action where necessary have been taken by Government, have been excluded from this report."

A similar para was included in the Audit Report Defence Services 1957.

There is no such stipulation in the U.K. Audit Reports.

Thus the Comptroller & Auditor-General in India, has taken it upon himself to judge *finally* in every case of irregularity whether *adequate* (a) disciplinary action has been taken, and (b) steps have been taken to prevent such cases in future. Parliament and the Public Accounts Committee do not see the light of such cases. There is a danger that parliamentary control over public expenditure may be vitiated if facts relating to the irregularity committed and the action taken by Government are not included in the audit reports and the matter is left to be determined between Government and the Comptroller & Auditor-General departmentally.

out by Speaker Mavalankar, and to make its observations from the taxpayer's and consumer's point of view.

The Audit Reports, together with the connected Appropriation Accounts, are so voluminous that it is impossible for a layman to have an idea of all the facts and figures contained in the documents in a reasonably short time. In order to assist the Members of the Public Accounts Committee, a key of the Audit Report and the connected Appropriation Accounts and other papers (which used to be prepared by the Comptroller Auditor-General until recently) is now prepared by the Secretariat of the Committee and copies thereof circulated to the Members in advance.

In paragraph 24 of the historical memorandum attached to the 1916 U.K. Committee's Second Report, it is stated that :

"The Public Accounts Committee have never considered that the Comptroller & Auditor-General is limited in his Reports merely to those points which he is bound to bring to the notice of Parliament. The Committee of 1888 stated that while it is no doubt difficult in all cases to draw a distinction between questions bearing directly on audit matters and those which may trench on administrative functions, yet at the same time, if in the course of his audit the Comptroller & Auditor-General becomes aware of facts which appear to him to indicate an improper expenditure or waste of public money, it is his duty to call the attention of Parliament to them. The Select Committee of 1902 on National Expenditure recommended the Public Accounts Committee, even more than in the past, to encourage the Comptroller & Auditor-General to scrutinise and criticise improper or wasteful expenditure."

The Comptroller & Auditor-General in India has construed his powers in a similar manner and he has in fact sometimes raised larger questions involving wiser spending and reforms in procedure, organization, change of rules, etc.<sup>20</sup>

<sup>20</sup> Examples of such matters are :

- (1) The Comptroller & Auditor-General suggested that for better organization and to secure efficiency it was worthwhile to introduce the administrative audit system by the departments concerned even if it entailed a little extra expenditure. [Para 21(i) (3) of Audit Report (Civil), 1950.]
- (2) Government is not competent to regulate air travel for Ministers under executive orders. [Para 22(c) of Audit Report (Civil), 1950.]
- (3) It was improper to grant to Judges any emolument not provided by law. [Para 24(p) of Audit Report (Civil), 1950.]
- (4) Procedure with regard to placing of contracts should be changed. [Para 54 of Audit Report (Defence), 1950.]

In the U.K., accounts other than Appropriation Accounts audited by the Comptroller and Auditor-General are presented to Parliament as White Papers while in India they are laid on the Table of the House like any other documents.

In the U.K., the Comptroller & Auditor-General is not responsible for auditing of accounts of public corporations and therefore he has no access to the relevant books and makes no report on their accounts.<sup>21</sup> His advice to the Committee on these accounts is therefore necessarily restricted and often the Committee have to depend upon themselves for the examination of such accounts. In India too, the Comptroller & Auditor-General is precluded from auditing the accounts of some of the corporations or statutory bodies and the Committee of Public Accounts have to proceed on the basis of the audit reports submitted by the commercial auditors whom the statutory corporations may have appointed as their auditors.

In the U.K., each year a number of accounts are considered without witnesses being summoned to answer for them. It is the ideal that the programme should be arranged so that, over a period of years, the Committee should have the opportunity to examine the accounting officer for every account, but the accounts are now so numerous that a greater degree of selection is exercised. Unless the Comptroller & Auditor-General makes some comments on the accounts in his reports, not even the accounts of some of the major departments are examined every year with a witness present.

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(5) The Comptroller & Auditor-General should have the right to audit expenditure of the State-sponsored concerns, by whatever name they were called. (Comptroller & Auditor-General's statement at Appendix I, 3rd Report, First Lok Sabha).

(6) Suggestions made regarding scrutiny of Budget Estimates and revision of financial control in the various Ministries. [Appendix to Audit Report (Civil), 1955, Pt. I.]

<sup>21</sup>In the U.K., Nationalised Industries, till the enactment of the Finance Act, 1956 (Section 42), were required primarily to raise the necessary capital in the market usually by issue of debentures and were responsible for servicing them. The Treasury had only to guarantee the payment of interest and the redemption of debentures. Under the Finance Act, 1956, the borrowing powers of the Nationalised Industries (other than National Coal Board) have been curtailed and they are expected to take advances from the Ministers concerned to the extent they had powers to borrow by the issue of Stock, and the Treasury in turn is expected to issue to those Ministers out of Consolidated Fund such sums as are necessary to enable them to make requisite advances. In India, on the other hand, Public Undertakings are financed largely, if not entirely by the direct investment of public funds from Consolidated Fund of India.

A provisional programme usually prepared by the Comptroller and Auditor-General in the light of his knowledge as to what is likely to be contained in the report on his accounts is submitted by him to the Chairman of the Committee. The Chairman finalises the programme after taking into account his own ideas and also the current interest of the Members. Accounts which were taken without a witness in the previous session and which it is now proposed to take with one or *vice versa* are underlined. Any new accounts which have not been taken before are typed in capitals.

In India, the programme is prepared by the Secretariat of the Committee after the Audit Reports and Accounts have been presented to the House. The provisional programme after approval by the Chairman, is circulated to the Members and the concerned Ministries. All accounts with the exception of those few which relate to minor departments are usually examined by the Committee each year. Thus all Heads of Departments have to appear before the Committee every year.

In the U.K., before the commencement of each meeting of the Public Accounts Committee, a conference is held in the room of the Chairman of the Committee. At this conference, the Chairman, the Comptroller & Auditor-General and the Clerk of the Committee are present. The conference discusses the important points which should be raised with the witnesses regarding examination of particular accounts. This is always a confidential meeting and no records are kept nor circulated to any one. This meeting gives the background to the Chairman in the light of which the witnesses are examined. Other Members have no such knowledge and therefore most of the examination of the witnesses is done by the Chairman and most Members appear "rather in the role of a juror who will come later to some conclusion on the matters at issue."

In India, the Comptroller & Auditor-General prepares a list of important points arising out of the accounts and his comments thereon and this list which is marked 'confidential', is circulated to the Chairman and the other Members of the Committee. The Secretariat of the Committee, under the direction of the Chairman, prepares a further list and it is also circulated to the Members of the Committee. The latter list supplements the list prepared by the Comptroller & Auditor-General. Thus the examination of the witnesses is conducted by the Chairman and Members alike and Members feel the satisfaction of having participated to the full in the discussions.<sup>22</sup>

<sup>22</sup> Quite recently the Public Accounts Committee has adopted a procedure of dividing itself into working groups. Each such group is entrusted a particular subject. The members of the group study the papers on the subject

In the U.K., the Comptroller & Auditor-General attends the meetings as a witness when evidence is being taken by the Committee. He does not sit next to the Chairman; but sits at the other end of the table opposite to the Treasury officials and intervenes in the discussion only when the Chairman asks him to clarify a point or some information is required from him. He does not put any question to the witnesses nor makes any comments or observations on the evidence given by a witness.

In India, on the other hand, the Comptroller & Auditor-General sits on the right hand side of the Chairman. He continuously holds consultation with the Chairman as the evidence is proceeding and very frequently asks questions from the departmental witnesses and also makes comments and observations in the course of such evidence. The Comptroller & Auditor-General is accompanied by his officers<sup>23</sup> who also sit along with him or behind him and continuously assist him with papers, information etc.

In the U.K., no formal procedure has been laid down governing the participation of the Comptroller & Auditor-General in the drafting of the Committee's report. The Committee are however free to call upon the Comptroller & Auditor-General and to make use of his help in any way they think proper.

In India, when a draft report is prepared by the Secretariat of the Committee under the direction of the Chairman, it is sent to the Comptroller & Auditor-General in advance for factual verification and when the report is considered by the Committee, the Comptroller

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and hold preliminary meetings among themselves to discuss points of importance on which questions might be put to the witnesses. At such meetings the Comptroller & Auditor-General or his officers are also present to assist the members.

<sup>23</sup> Para 19 of the Audit and Accounts Order 1936 as adapted reads as follows :

"19. Anything which under this Order is directed to be done by the Comptroller & Auditor-General may be done by an officer of his Department authorised by him, either generally or specially;

Provided that except during the absence of the Comptroller & Auditor-General on leave or otherwise, an officer shall not be authorised to submit on his behalf any report which the Comptroller & Auditor-General is required by the Constitution to submit to the President or the Governor."

Accordingly the Comptroller & Auditor-General has appointed several Accountants-General and Directors of Audit as his principal audit officers who act on his behalf and this explains the reason for their presence at the meetings of the Public Accounts Committee. In fact, the audit reports are signed by the Accountant-General or Director of Audit concerned and counter-signed by the Comptroller & Auditor-General.



& Auditor-General is always present to assist the Committee. His presence is recorded in the proceedings of the Committee. The Comptroller & Auditor-General is, as usual, accompanied by his officers on such occasions also.

In India, the minutes of the Public Accounts Committee are drafted by the Secretariat of the Committee and after approval by the Chairman are circulated to Members. The minutes form part of the Report of the Committee and supplement the recommendations contained in the main Report. The documents supplied to the Committee are also appended to the Report of the Committee; but the evidence given orally is not printed<sup>24</sup> nor laid on the Table of the House. The minutes are therefore of a detailed character and embody a good summary of the discussions without mentioning actual questions and answers or the names of members or the witnesses. In the U.K., on the other hand, the minutes are very brief and do not purport to summarise the evidence given before the Committee. The evidence is printed verbatim and presented to the House along with the Report. Neither in India, nor in the U.K., the Comptroller & Auditor-General is concerned with the drafting of the minutes of the Committee.

In the U.K., it is customary on the retirement of the Comptroller & Auditor-General and on the appointment of his successor to include a special paragraph in the Committee's final report. In India, the Committee includes a paragraph in each of its reports every year expressing its thanks to the Comptroller & Auditor-General for the valuable assistance rendered by him in the deliberations of the Committee.

In the U.K., periodically an epitome of the reports of the Public Accounts Committee is brought up-to-date by the Comptroller & Auditor-General. It is customary for the Chairman of the Public Accounts Committee to move in the House for a return containing the epitome of the reports from the Committee and of the Treasury minutes thereon with appendix and index. Before doing so, the Chairman writes to the Financial Secretary to the Treasury asking him to inform the Speaker that he has no objection to the motion. In India, a

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<sup>24</sup> Before the Second World War the evidence used to be printed. It was stopped during the war as an economy measure. Since then except on one occasion (1952-53) the evidence has not been printed nor laid on the Table. The Committee has examined this matter from time to time; but have not yet made up their mind to make it public. Apart from printing difficulties, which have now eased, the main consideration for keeping the evidence confidential is the creation of a psychological atmosphere in the mind of a witness to say freely and frankly what he feels about a certain matter placed before him.

similar epitome is brought out by the Comptroller & Auditor-General. This epitome is kept in the Library of the Public Accounts Committee and is not laid on the Table of the House.

In India, six copies of all papers circulated to the Members of the Committee are usually forwarded to the Comptroller & Auditor-General and the Accountants-General or Director of Audit concerned. Any fresh note or memorandum which the Committee desire is invariably sent by the witness through the Office of the Comptroller & Auditor-General, who check the facts contained in the memorandum from the audit point of view before it is submitted to the Committee. The idea is that the facts should be settled between the administrative department and the Audit Department before they are placed before the Committee. Copies of the final memoranda which are circulated to the Members of the Committee are also sent to the Comptroller & Auditor-General. The Chairman and the Committee have often commented<sup>25</sup> on this and also criticised the delays in submitting written material. Often the Committee has had to delay its report for this reason.

#### IV

In the U.K., Supply is granted by the terms of the resolution of the House to "Her Majesty". Ways and Means are granted by the Appropriation Act in the form of an authority to the Treasury to make the necessary issue from the Consolidated Fund. Before the grants become available to the various departments, a Royal Order "is issued by which the Sovereign authorises the Treasury to issue the necessary money to the persons charged with the payment of services", the order being limited to the amount of Supply actually granted by Parliament at the time of its issue. The Royal Order quotes the amount granted in each Supply resolution and the date on which it was agreed

<sup>25</sup> See introduction to 3rd and 4th Reports of the Public Accounts Committee (Second Lok Sabha).

It may be stated in this connection that in order to understand this difference in procedure the position in the U.K. is that as far as possible complete information is given to the Public Accounts Committee by the departmental witnesses in oral evidence and there is seldom any occasion for them to submit any notes in writing. The departmental representatives generally attend the meetings of the Public Accounts Committee by themselves (and with one or two Assistants if necessary) and carry important and relevant papers only. In India, on the other hand, the departmental representatives, despite the fact that they attend the meetings with a larger retinue of staff, who carry voluminous records with them, do often ask for time to explain their position in writing by submitting notes later on.

to by the House of Commons on report. But before it can draw the money from the Consolidated Fund to make the issues to the various Departments, the Treasury must receive from the Comptroller & Auditor-General credits on the Exchequer Accounts at the Bank of England.

The Treasury therefore send to the Comptroller & Auditor-General a demand every afternoon for the issue of such sums as are needed to finance the many activities of the Government. The Comptroller & Auditor-General examines these demands and if he is satisfied that they are in accordance with parliamentary authority issues credit notes authorising the Banks of England and Ireland to issue the money. The procedure today is exactly the same as that laid down by Parliament over 90 years ago<sup>26</sup>.

In India, by the provisions of an Appropriation Act, the money is granted to the President. After the relevant Appropriation Act comes into force, the Ministry of Finance communicate to the administrative departments (and the Accountants-General concerned) in the shape of a lump sum as primary units of appropriation the sum granted under the Appropriation Act to that Department to defray its expenses on Services and Supplies during the course of the year. The administrative departments then make arrangements for distributing the sanctioned funds where necessary, among the controlling and disbursing authorities subordinate to them. The Accountant-General is required to render such assistance in the distribution of grants as may be settled in each case<sup>27</sup>. No procedure<sup>28</sup> has yet been devised whereby, as in the U.K., the Comptroller & Auditor-General in India has been vested with control over the issues from the Consolidated Fund. The responsibility for drawing the money from the Reserve Bank which maintains the Consolidated Fund on behalf of the Government of India and for watching the progress of expenditure is laid down on the authority administering a grant and for keeping the expenditure within the grant. When the Appropriation accounts are drawn up at the end of the year, then only the Comptroller & Auditor-General is in a position to know whether any authority has exceeded the grant, or whether the Government as a whole have drawn in excess of the sum specified in the Appropriation Act from the Consolidated Fund of India.

<sup>26</sup> Sections 14 and 15 of the Exchequer & Audit Departments Act, 1866.

<sup>27</sup> General Financial Rules, Vol. I, Chapter V.

<sup>28</sup> On the coming into force of the Constitution in 1950, the designation of the Auditor-General was changed to Comptroller and Auditor-General as it was intended that, as in the U.K., he should also be responsible for control over exchequer issues.

## THE REFORM OF ADMINISTRATIVE PROCEDURES\*

*Arthur J. Naftalin*

THE success of a government depends considerably upon the quality of the persons engaged in its administration. Personnel, however, is by no means the only factor in successful management. Effective procedures and an efficient organizational structure are also essential. Even the best personnel system cannot overcome basic procedural or structural deficiencies that disturb or obstruct the flow of administration. There is obviously a close relationship between personnel management and administrative procedures, just as there is between both of these areas and the problems of organizational reform. In fact, all these three ingredients of an effective system of administration—personnel, procedures and organization—are closely interrelated and each of them cannot, in my view, be effectively studied in isolation from the others.

In considering the problems of procedural improvement—the second factor, it is proposed to deal here primarily with trends and experience in American public administration. Administration everywhere shares many common qualities and it can safely be assumed that the experience of administrators in one country has meaning for others who are engaged in essentially the same activity. Much is to be gained by the exchange of ideas and experiences across national boundaries.

### SOME QUESTIONS AND CRITERIA

In the area of procedures, some of the main problems the administrator faces to-day are :

- (1) How does a government achieve internal and external security and stability and still avoid bureaucratic excesses?
- (2) How can a government ensure equal and fair administration in accordance with fixed routines and, at the same time, remain flexible and responsive in meeting individual situations?
- (3) How can a government keep its operations continuously alive and moving, avoiding inertia and indecision that result from procedures and methods that are too rigid?

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\* Based on a lecture delivered at the National Institute of Administration, Saigon, on January 13, 1958, and published by their courtesy.

(4) How can the tendency to "bottleneck" decision-making at the top levels of administration be resisted and greater delegation of authority achieved?

(5) How can a government develop an effective division of labour among its employees and, at the same time, successfully coordinate all operations?

(6) How can a government ensure continuous four-way communication, from the top down and from the bottom up within the administrative organization and outward and inward with the public that it serves?

(7) And, finally, how can all of these elements be efficiently coordinated into an effective functioning unity?

These are, of course, difficult questions to which there are no easy answers. They are examined here only in general terms, because there are a great variety of approaches and each administrator, in seeking meaningful solutions, must fashion answers that fit particular needs and special circumstances. There are, however, certain common criteria that define the essential requirements of any effective administrative system.

The first of these is *simplicity* and *clarity*. In the United States, as elsewhere, administrators are engaged in a continuous struggle to keep rules and regulations and methods and procedures in their simplest possible form. It is often easier, in meeting a new need, to add a new operation than to eliminate or modify an old one. As the years pass an administration may find itself encumbered with procedures and regulations that no longer serve the purpose for which they were originally intended. The need for the sixth copy of a form may have ended years ago (if, in fact, it was ever needed) but the requirement remains unchanged. A particular certification may no longer serve any purpose, yet it will still be required. Such practices clutter up the administrative process, slowing down the flow of activity and consuming valuable time and materials.

If administration in the United States is a fair example, all governments could benefit greatly from continuous revision of its procedures. In the Minnesota Self-Survey project\*, hundreds of instances came to notice where state law or traditional practice had imposed expensive and complicated administrative routine that were

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\* This project required that all officials and all employees make a complete and systematic review of their own work in order to determine the points of strength and weakness in their operations. Administrators, employees and technicians, with the assistance of legislators, were asked to examine with complete honesty and objectivity their own administrative programmes and to make appropriate suggestions for improvement.

serving little or no purpose. It was found that many administrative forms were unnecessarily complicated and confusing; many operations involved a variety of certifications and approvals that far exceeded the requirements of a sound system of internal audit or control; thousands of valuable man-hours were being consumed in the gathering of statistical and other data that had been serving no purpose for many years; and hundreds of rules and regulations were in force which might once have served a purpose but which were no longer of any value. In the field of finance, there existed more than 200 separate funds for accounting purposes when 10 or 12 would have been sufficient. The State was paying its employees on 118 separate payrolls, and, with further study, it became clear that the number could be reduced to five and, eventually, to one single, comprehensive system. As the result of this Self-Survey and the reform activity that grew out of it, substantial progress was made in clarifying and simplifying procedures.

The indignant and complaining taxpayer is a familiar figure the world over. In the United States it is something like a national pastime to complain about the cost of government and to criticize the bureaucracy for its tendency to move at its own slow pace in providing service. We all know that the taxpayer at times can be very unreasonable. Yet, when we reflect upon how unnecessarily cumbersome and confusing many governmental procedures have become in the United States, we wonder if the citizens we serve are not too passive and too uncomplaining. The prod of the complaining citizen is a wholesome influence on administration, and one sometimes feels that governments would be better served if more citizens were to demand full explanations for the continuance of procedures that have no apparent justification.

Administration must be constantly re-examined to be effective and such re-examination requires a strong act of will on the part of administrators. It is far easier to repeat the routines that were in operation yesterday, letting rules and regulations, and forms and methods grow and multiply in response to immediate and pressing needs, than it is to re-examine and re-evaluate one's operations, asking oneself simple, honest, and basic questions such as: "Is this procedure really necessary?" "Is this certification necessary?" "Is there a quicker way to accomplish this task?" "Why do we need so many copies of this form?" "Do we need to maintain this particular file?" The questions are infinite. It is, of course, this more difficult course of continuous re-examination that must be pursued if administration is to be fully successful.

Administration is basically nothing more nor less than common-sense, and common-sense begins with *simplicity* and *clarity*. These must be the cornerstone of any effective procedural system.

A *second* criterion for effective procedures is *flexibility*. Administration must not only be clear and simple, it must also be responsive to needed changes. Again, judging by our experience in the United States, bureaucracy's major evils are its unwillingness to shed outworn regulations and procedures and its inability to adjust to new situations or to allow for necessary deviations from fixed requirements. The successful system adapts to new needs and new circumstances and meets special situations rationally and efficiently. The unsuccessful system is on in which the procedures are so rigid that they limit and obstruct the administrative flow. Some governmental agencies have procedures that are so inflexible and so precise that administration has become as ceremonial as a religious observance. When this happens, the procedures have become the *ends* of administration rather than the *means*, and the entire process becomes stultified.

Achieving flexibility, adaptability and adjustment is a never-ending struggle. It requires constant re-evaluation of all administrative operations and a continuous restatement of the aims and purposes sought by the government so that all procedures can be sensibly related to their proper objectives.

A *third* criterion of sound procedures is *definiteness* and *uniformity*. Similar operations in different agencies should be directed and controlled in similar fashion. The public that is served comes to know government's procedures, and, if they are *definite* and *uniform* from one agency to another, the flow of administrative activity will be expedited. The abuse of this principle reaches absurd limits in some governments. Different administrative agencies in the same government, for example, will sometimes maintain different hourly schedules. Sometimes employees in different agencies have different rights and privileges. Often agencies performing similar operations will use different forms that seek the same information.

There is apparently some contradiction between, on the one hand, the need for uniformity and definiteness in administration, and, on the other hand, the need for flexibility that permits the exercise of individual discretion. But the two must be reconciled for effective administration. This is another point at which the art and the science of administration must be joined. A successful system strikes a balance between basic formality, in which all procedures are set forth with simplicity, clarity and definiteness, and with internal freedom and flexibility that allow for individual judgment, discretion and originality.

## THE IMPORTANCE OF ADMINISTRATIVE PLANNING

Procedural improvement in administration, as noted earlier, is aimed at achieving internal and external stability, at ensuring flexibility and responsiveness, at overcoming inertia, at smashing bottlenecks, at developing an appropriate division of labour and an effective co-ordination, and at achieving continuous communication in all directions. To realize these objectives requires endless and intensive planning, analysis and programming. The more complex administration becomes, the greater the need for these internal administrative functions. Thus, modern government is turning more and more to systematic and continuous administrative planning.

In the United States today there is increasing emphasis on the function of management research and analysis. There is a growing awareness that the internal problems of administration require the expert attention of persons specially trained for this function. As a result, there has emerged in the United States a new group of professional and technical experts who devote their time to the problems of administrative management. Not only are there general experts trained in the larger problems of organization and methods, there are specialists among the specialists, some specifically trained in the application of machine methods, others in forms control and records management, others in physical plant utilization, others in work measurement. Many governmental jurisdictions in the United States now have well-defined units devoted to the analysis and study of the administrative operation itself. Such units have a variety of names, such as "planning and research," "systems and procedures," or "organization and methods" (O & M). While they perform a variety of analytical or planning functions, they share in common the pursuit of improved administrative operations.

The recognition of the importance of administrative planning has not come about without a struggle of its own. Legislators and even top executives often must be persuaded that special funds should be made available for this purpose. In paring operating budgets it is always tempting to remove items labelled "research" or "planning" or "analysis" on the grounds that they are of long-term concern and can be postponed until the presumably more pressing short-term demands are met. The foolhardiness of this policy has been demonstrated again and again. For lack of a carefully devised administrative plan that could have been developed with a small appropriation, inefficient operations are continued month after month and year after year at a cost many times the amount that would have been needed for proper planning.



The new almost overwhelming, emphasis on the study of systems and procedures and on research into organization and methods is due in large measure to the almost fantastic progress that is being made in the manufacture and use of high-speed business machines. The new machines can perform in seconds hundreds of operations that previously required minutes and even hours. As a result they have opened up extraordinary new opportunities for efficiency and economy. This has compelled administrators to re-examine their entire operations not only particular procedures but their complete organizational framework. They are finding it necessary, if the machines are to be used efficiently, to re-educate and retrain large numbers of employees who can programme the work for the machines and who can operate and service them.

The interest in high-speed equipment is so widespread and the consequences of their general use are so far-reaching that many observers believe we are at the beginning of a revolutionary new era in administration. It is certainly apparent that the current study of public administration in the United States is largely the study of the impact of the new machines on large-scale organization and administration. Needless to say, for the moment at least, the machines are creating more problems in overall administration than they are solving, and there are certain to be many years of experimentation and adjustment before the new machines will have been fully mastered. Ironically, the very speed of change within the business-machine industry is itself a serious problem in administrative planning. A new electronic device has no sooner been placed on the market but what it has been made obsolete by the appearance of another machine of even greater speed or volume. All of this of course supports the need for the most careful and intensive research and analysis into all aspects of administration.

In the State of Minnesota, an extensive programme of installing computing equipment has been undertaken. Its highway department, for example, is now using an electronic computer for routine calculations that previously required thousands of expensive hours of time from our high-salaried force of engineers. This year for the first time they will have under machine operation the entire system of motor vehicle registration, involving nearly 2,000,000 automobiles, buses and trucks. In fact, the people of Minnesota pride themselves on the very substantial progress they are making in this crucial area of administration. However, they have learnt that they cannot make efficient use of the new machines until they have first completed an exhaustive analysis of all operations affected by the new installation. They have found that they must know everything they possibly can about all the related

procedures, about the volume of the work involved, about the nature of particular operations to be machine-performed, about the skills and abilities of employees who will be expected to operate the machines, about the kind and amount of retraining that will be required, about the employees who will be displaced by the machines and the new opportunities that can be created for their re-employment, and about the physical space and electrical power that will be required. They have found it not only desirable, but essential, to delay further machine installations until they could complete a study that would gather such basic information. The study in itself is a formidable undertaking. It required enabling legislation and a special appropriation by the 1957 legislative session. As a result they now have under way what they call an Electronic Data Processing Feasibility Study. This is the first study to be undertaken by any of the 48 state governments in the United States. As the study proceeds they become more and more convinced of the necessity for further analysis and planning if they are to continue to improve their administrative operations.

The experience of the United States shows that there are no tricks or shortcuts to good administration. It can be achieved only if we know what our problems are and which of the various alternative methods will be the most effective for our purposes. Such insight and understanding cannot be acquired without systematic and continuous study by officials and employees specifically trained for that purpose.

#### ADMINISTRATION AS A PROCESS

Public administration obviously involves many complicated relationships. There are relationships between the top administrators and the descending levels of their subordinates. There are relationships between the government and the citizens it serves. There are very sensitive relationships between the personnel and the factors that affect their performance. The number and types of relationships within administration could be listed without end. Yet, despite its enormously complex character, administration remains essentially rational and systematic activity. Individual procedures relate to a larger complex of operations and the entire activity is governed by a single, inter-related set of objectives. Sometimes this fact is lost sight of by administrators who are caught up in their own limited operations; they often see administration as a series of separate and independent acts instead of as a continuous and integrated process.

Any effort at the improvement of an administrative procedure or group of procedures must be based upon a clear understanding of how such modifications will affect the larger system. It is essential,

therefore, that administrators see their activity, however limited or specific it may be, as part of a continuous flow of activity. Each individual operation must be seen as part of a network of relationships; a slowdown or speedup in one sector will affect other sectors : a new machine operation at one point may break one bottleneck but create new ones. It is not always easy to see the larger aspects of the process; an administrator inevitably becomes preoccupied with the needs of his particular agency and he may become so intent upon fulfilling his immediate assignment that he may avoid any involvement in the activities or affairs of other agencies. This leads in the end to a segmented or fragmented government in which separate agencies are not part of an integrated process but virtually competing operations.

Thus it happens that in some governments individual procedures are treated as isolated operations, as a segmented series of administrative events. A moment's reflection tells us that this almost never should be the case. Take, for example, the matter of a government's payroll. At first glance the payroll appears to be nothing more than a specific instrument of getting the pay-cheque to the employee. Yet the payroll is a central feature of the accounting system and is closely related to budgeting methods and improved planning. A well-planned payroll system will provide data for improving the personnel system and it will help strengthen the system of accounting and internal audit. Similarly the budget system is often regarded as simply the preparation of a document that contains basic financial data. But, again, a well-planned budget system will be an invaluable instrument for the intelligent allocation of the government's resources, for the systematic control of its expenditures, and for the comparative analysis of the needs and operations of different agencies, and will serve as a central means for developing basic and long-term programmes for measuring the effectiveness of particular methods and particular programmes. The procurement system likewise is not exclusively the obtaining of materials and supplies. If properly planned, it will assist in the controlling, measuring, and strengthening of all administrative activity.

All of this is by way of supporting the central point that administration is one continuous interrelated process. It is a process that has flow and movement. Policy decision and administrative acts move up and down from the top levels of management to the many other components of the organization. The administrative process is, in many respects, like a living organism that has separate but related functioning parts. The directing or policy-making level in government bears to the subordinate levels of personnel and machines the same relationship that the mind in the human body bears to its arms and legs; central financial and accounting agencies are not unlike a blood-

stream or circulatory system. The analogy could be expanded at great length. But this is perhaps sufficient to suggest that successful procedures do not operate in isolated context. They all combine to form one system serving one ultimate objective, namely, the purposes for which the government has been established.

The healthy organism has vitality and agency. Its mind or directing agency has clarity of purpose and effective means for communicating the nature of that purpose to all its separate but interrelated parts. Thus a healthy government will have a top management that clearly understands the purposes that the government seeks to serve and it will achieve uninterrupted communication, from the top, where politics are made, to the bottom, where they are executed, and, again, from the bottom up. Its operating members—the supervisors, the clerks, the inspectors, the accountants—will have clear directives upon which to act and effective tools with which to work. The pathways of activity will be clear and coordinated, just as are the nervous system, the circulatory system, and the respiratory system in the human body.

#### ADMINISTRATIVE LEADERSHIP

The above analogy has been drawn at some length because improvement in administrative procedures requires a special kind of governmental leadership. The first need for any government is to define its purposes with clarity and in a fashion that all who are engaged in the process will have an understanding of the goals and objectives that are being sought. This burden falls heaviest, of course, upon the top levels of administration. The success of any organization is dependent upon its leadership; if there is at the top levels vitality, force, direction, clarity, and a willingness to make administration a co-operative operation, such spirit will permeate the entire organization. It is a leadership that succeeds in infusing the organization with an understanding of its purposes and in extracting from those who make up the organization not only dedicated service but also the application of their creative abilities. It is a leadership that fully senses its close connection with the other operating parts just as in the human organism mental health and physical health require clarity of mind and soundness of body, and, as modern science shows, the two are inescapably dependent upon each other.

If the leaders exercise imagination and originality, and if they encourage their subordinates to participate openly and freely in the decision-making process, the organization will soon be alive with excitement and purpose. When such spirit is present one need never doubt that the organization will grow and that it will fashion for itself methods and procedures that are adequate for its purposes.

## PUBLIC ADMINISTRATION UNDER U.N. TECHNICAL ASSISTANCE PROGRAMME

*R. K. Basu*

THE idea of assistance in public administration is as old as the technical assistance programme itself. A decade ago when the General Assembly in its third session first approved the programme of technical assistance under the "regular programme," by resolution 246(II), it endorsed the setting up of an International Centre for Training in Public Administration. Although this idea never materialized some of the member-governments, especially from the underdeveloped countries, were seriously concerned that United Nations do something to raise the knowledge and techniques of administration by training people under an international scheme. There was unanimity among all concerned that aid in public administration should be given highest priority in the pursuit of economic and social progress. In 1950 when the "Expanded Programme" was created, public administration was included among the fields for technical assistance.

### IMPROVEMENT IN ADMINISTRATION

In the first proposal which envisaged the creation of an International Centre for Training in Public Administration, Brazil, sponsor of the proposal, had in mind a place where men and women could be trained for international work as well as for better administrative training, more international in character, which was normally not provided in any one country.

In accordance with the wishes of the General Assembly the Secretary-General prepared a report\* examining the respective merits of the Brazilian proposal. In that report it has pointed out that if the Training Centre was set up it could be developed along the following lines : (a) an International Administrative Staff College to train outstanding senior civil servants for a period of three to four months each year; (b) An International School of Public Administration to train promising young civil servants or potential civil servants during a period of eight months of study to be followed by three or four months of internship in an appropriate national or international agency; (c) Experts to be made available to give technical assistance upon request, to any government which desired to establish or improve national

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\* A/C. 5/232

institutions for training in public administration; (d) Facilities for the exchange of civil servants between countries for periods of study and observation outside of the programmes administered by the Centre itself.

In the debates of the fifth committee several delegates argued that the proposed International Centre was urgent and justified. Bilateral programmes or exchange of individual experts would serve only the limited purpose of promoting improvement in public administration. A centre of this nature, however, would provide uniformity in public administration. Pakistan, for example, proposed that the Centre should be set up along international lines, should have an "international point of view" and should meet international needs. Any consideration to take a specific system of administration as a model for the underdeveloped countries was considered dangerous, not even that of the host country in which the centre was to have been set up. Another argument in favour of the "Centre" was that it would familiarize senior civil servants with techniques of organization and management and administrative procedures developed in recent years in the economically advanced countries. Chile was quite frank in suggesting that United Nations should develop a "philosophy" of public administration as would permit it to embark upon an ambitious programme. Venezuela agreed that an International Centre was to achieve a synthesis of various rules applied by public and private institutions in different countries. Others felt that even if there was no International Training Centre set up it should be possible to provide individual assistance to countries requesting them and making training facilities available by those who possess them to the students from underdeveloped countries.

It is quite clear from the debates that followed in the fifth committee, the Economic and Social Council and the General Assembly, that whether there was to be an International Training Centre for Public Administration or not, there was a need for a uniform system of administration with an international point of view. No one disagreed that this need was urgent and aid must be extended without delay.

Although the General Assembly at its third session approved the setting up of an International Centre for Training in Public Administration and the following year upon the recommendation of the Secretary-General approved that this activity should be amalgamated with the technical assistance programme, this institute never came into being. There were various compromise resolutions and it was finally resolved that training centres should be set up at the national and regional levels at the request of governments. The three General Assembly resolutions 246 (III), 723 (VIII), 1024 (XI), represent the views and importance given to activities in public administration.

In all these, not only the wishes of the governments are expressed in terms of increased activity but, also, an indication of the manner in which the countries expect the International Organization to assist them in public administration. The requests for assistance have increased each year and the approval of funds has also been increased. In 1950 the Economic and Social Council approved the inclusion of public administration among the fields in respect of which aid might be provided under the Expanded Programme of Technical Assistance. In 1950 a separate authorization was received from the General Assembly for \$145,000 to be spent every year on public administration from the regular budget of the United Nations. In 1956 this contribution was increased to \$300,000 in order to increase the "substantive activities" of the Secretariat in this field. A proposal of the Secretary-General submitted to and adopted by the thirteenth session of the General Assembly provides for an amount of \$20,000 in the regular budget of the United Nations to supplement existing technical assistance programmes in public administration by securing, at the request of governments, the temporary services of well-qualified persons who would perform duties of an "executive" or operational character. Such an "international administrative service" will be provided "on a modest scale and on an experimental basis."

While it may be true in principle that technical assistance can only be provided at the request of a government and in the manner in which it wishes it, perhaps there is need for a different approach for programme planning and implementation as far as public administration programme is concerned. Here the governments have expressed a specific hope that the United Nations would show them how best to improve their administrative systems and advise them on the type of assistance they need through joint consultation. Public administration is a new field even in the Western world and it is much more so for the underdeveloped countries. Therefore to look at it strictly from an operational point of view would be to deprive the recipient countries of the experience, knowledge and advice in sound planning. The United Nations is only looking for opportunity to be of help in the most direct way. It realizes that in order to develop a sound programme for the improvement of administrative systems it must carefully examine all factors that tend to better administration, examine the resources available, determine priority needs and finally make a realistic appraisal of the rate at which progress could be achieved. To fulfil this task it must have freedom and scope in the work and it must enjoy the confidence of the recipient country.

At times it is difficult to understand whether there is sufficient coordination between policies expressed by the governments in func-

tional activities in relation to overall policies of technical assistance. It would be helpful if governments were to announce that they recognize that consultation prior to a programme formulation is extremely important. All resources should be used in the interim period of negotiation so that full discussion takes place between the United Nations representatives and the government officials directly concerned with the functional responsibility.

The programmes in public administration are worked out mainly by the governments. Each year they are advised by the United Nations of the funds available for each country under technical assistance. Priorities are then set up by the governments as to what proportion of the allocated funds should be used for Economic Development, Social Development and Public Administration. In submitting "Country Programmes" each country indicates to the United Nations specific fields in which assistance is needed. This ranges from requests for a single expert in any area of administration to a team of experts for Training Centres or in-service training programmes, and fellowships abroad. As a matter of policy United Nations does not refuse to provide assistance in any field as long as the request is within the jurisdiction of the United Nations and acceptable as a project for economic and social development of the country. Strictest interpretation of the concept of "country programming" can mean that governments know what is good for them and as long as the request is within the defined rules of technical assistance United Nations should provide the assistance. It is recognized that in any programme planning countries themselves should have the final say, but this should in no way deter the consultative process which is part of sound planning. It is just as important to associate the experts and those who are working for development on a worldwide basis in the early stages of country planning, as it is for them to work towards implementation of a scheme. Proper planning is half the achievement of the programme. Improper evaluation, priority or planning is nothing short of waste.

#### THE PRESENT EFFORT

In 1951 the Public Administration Division finally became a recognized component part of the Technical Assistance Administration. In accordance with the General Assembly decision of 1953 the new terms of reference for the work in Public Administration included the following points: (a) Advisory services; (b) Fellowships and scholarships; (c) Conferences and seminars; (d) Provision of technical publications; (e) Training institutes. It is evident from the opinions expressed by underdeveloped countries that any improvement in public administration would have to be adapted to the needs of each



country, and what could be a better way of doing it than for the United Nations to develop that body of knowledge in public administration which could be used according to a particular situation.

A careful examination of United Nations activities in public administration is desirable in three areas. Firstly, what the member-governments want the United Nations to do in order to help improve the administrative standard in the underdeveloped countries as a whole, and in a specific country in particular. Secondly, to take stock of the achievements thus far of the United Nations in this endeavour, if possible analysing what has governed the course of action it had taken and the improvements it has made in the underdeveloped countries, individually or collectively. Thirdly, on the basis of experience gained so far if it could suggest that methods and approaches be modified. Thus if the United Nations were not considered only an instrument for providing aid without proper substantive guidance, even better results and increased activity could be expected.

In examining first what Technical Assistance Administration of the United Nations has done so far in different areas it may be pointed out that the Public Administration Division has assisted in providing experts, giving fellowships, setting up training institutes, organizing seminars, workshops and conferences and developing research programmes. Between 1950-1957, 357 experts were sent to underdeveloped countries recruited from developed as well as underdeveloped countries abroad. For the same period 1,330 fellowships were awarded for studies abroad. National Training Centres have been set up in United Arab Republic, Libya, Ethiopia, Brazil, Turkey, with some students from other countries in the region, and Costa Rica, with participation from five Central American Countries. Also institutes were set up by the governments with United Nations' assistance in Israel, El Salvador, Nepal, Burma. Survey missions have visited in other countries to examine possibilities of setting up new institutes. In spite of its small staff the Division has been able to do a great deal. The assistance has involved substantive support to the experts in the field; screening, placement and supervision of study programmes for fellows; evaluation and advice on training programmes, research and documentation; analysis of experts' reports. In all these, the efforts had to be limited to the barest minimum as the available resources of the United Nations at the present time are rather small. The work of the Technical Assistance Administration has thus far been "servicing" the experts and fellows, catering to their administrative needs of all kinds, "back-stopping" their reports and other activities. This type of activity has been largely generated from the basic thought that Technical Assistance Programme is operational. The role of TAA is considered to be to

meet the wishes of the Governments in helping them in the area they desire United Nations assistance.

In the case of *experts* specific assistance in each of these areas by TAA has involved selection of the right man for the job, his orientation, preliminary advice regarding local conditions under which the expert would work, providing background information of the country, the programme past and present, documentation and material that would help him in his work. When he is in the field he is continuously assisted by advice from Headquarters on his recommendations, and the line of action he may or may not take in conformity with the rules of the International Organization. He is also constantly supplied with the information and documentation that may be needed. Liaison is also maintained between the expert and outside agencies mostly non-governmental to assist him in his work. The final recommendations are always submitted by the United Nations and not by the expert acting in his individual capacity. Therefore a most significant part of the substantive work is involved with his final report prepared for the government. For *fellowships*, careful screening is done by the professional staff with regard to the qualifications and the experience of the candidate, his suitability for training abroad, and the best place for such training. A specific training programme is arranged for each fellow, whether it is for formal studies in a university or observation and field studies in government departments and ministries under supervision of the host country. Headquarters also maintains a continuous supervision as the programme progresses. Upon completion of the award when the report is received of the acquired training very serious consideration is given to this initial evaluation and analysis of his work. If suggestions for improvement in his government work appear to be sound, all encouragement is given to him as well as to his government for the highest consideration of the fellow's recommendations.

*Meetings* on a regional basis, "workshop" seminars, and conferences have proved to be an extremely valuable method for the exchange of ideas. So far such meetings have been arranged for Budget Reclassification and Management in Asia and the Far East, Latin America; problems of Management of Public Enterprises also in Latin America and Asia and the Far East; meetings of expert body of Training Problems in Public Administration; meeting of experts on Personnel Procedures and Personnel seminar in Latin America. Valuable documentation and publications have appeared from these conferences which are of permanent value to all concerned with the development of public administration. In the area of *research* very little has as yet been accomplished, since the small staff of the Division

has to devote part of its attention to other activities which need prompt and immediate attention. Nevertheless some useful studies have been prepared in Headquarters which have proved invaluable to the underdeveloped countries. Some of these are : Standards and Techniques in Public Administration, International Bibliography in Public Administration, Administrative Problems involved in Community Development Programmes (in process of being printed), Training in Public Administration. Some of the experts' reports which have been made generally available have proved useful, such as the Preliminary Survey Mission reports. All these have been accomplished with very limited resources.

As for the success, it is for the recipient government to say whether it has been worthwhile. Even though it would take years for the countries to get the full impact of the help received, since the real change resulting from administrative efficiency takes a long time to show, judging from the ever increasing number of requests it is assumed that governments have been satisfied from whatever help United Nations has been able to give them in this field. From the experience gained in the last six years, it may be possible to examine whether the present approach is adequate or as a result of the advancement made by countries themselves, some changes in the basic philosophy and programme can be proposed.

#### AN INTERNATIONAL APPROACH

If any change is considered advantageous it can be in the area of programme planning and developing a concept of public administration with universal applicability. As said earlier, United Nations should have an opportunity in the early stages of programme planning for consultation with the appropriate officials of the government. This is the most crucial stage, as only then would it be possible to determine whether the selection of projects is most judicious and advantageous. The steps and methods of implementation also need to be discussed here at some length. United Nations Headquarters' staff and experts in the field should be used to the utmost. The screening process for this purpose should not be considered as defiance of national authority and prejudicial to local understanding. The United Nations has not only experience of the problems of the world as a whole but its staff are drawn from all areas of the world with a wide variety of background. Therefore it is in a position to see the problems of a country more clearly and recommend what has to be done to improve them.

To be more specific, the United Nations staff should be able to advise the government of the nature of assistance they should have

each year and discuss the precise responsibility of the government in making the project a success.

Is it possible for the United Nations to promote development with an international concept and can there be an international concept in public administration? In the Brazilian resolution one would find the suggestion that the training is needed in underdeveloped countries at an international level which cannot be found elsewhere. There is no one dogma or doctrine which can be exported to any area. Up to the present time any idea of developing a "philosophy" or policy of aid in public administration has been avoided, since in the last 7 years the primary function of the United Nations has been to solve immediate problems of the countries by providing *ad hoc* assistance in a manner it was practicable to provide it. There has been some gain by this experience. However, what is meant by a philosophy or doctrine of the United Nations in public administration and is it workable in underdeveloped countries? By a basic philosophy or distinct frame of reference is meant that the concept of public administration techniques should be different from a particular national orientation as developed in the United States (highly theoretical, business philosophy, pragmatic); in United Kingdom (highly pragmatic), in France (legalistic). A unique international approach may be developed in which the wider social determinants, such as cultural influences, and values, economic and social conditions, would determine the administrative types in various countries. This technical knowledge, acquired from broad experience, should have universal applicability. Seven years of experience in rendering assistance in public administration has proved that this idea of universal applicability is suitable for countries which have just freed themselves from a heritage of administration which was not either sound or definitive and wishes to organize systems based on sound practical approach. This no doubt has to be very broad to be useful from the point of view of an international agency whose doctrine must be elaborated so as to give due weight to the social determinants, cultural influences and values, which would be different in administrative types in various countries. It should be a doctrine elaborated from a professional point of view, not as a dogma but as an instrument for the systematic transfer of technical knowledge of universal value. It should be remembered at all times that while calling the universality an international point of view at no time should a specific idea be forced on a country. On the contrary, the frame of reference should be brought to the attention of the underdeveloped countries as comparative knowledge, offering them a variety of experiences from which they will choose what is most suitable to solve their individual problems. No attempt should ever be made to try dogmatically to

administration. In this way synthesis can be achieved and practical guidance provided for the experts in the field.

To do this not only the briefing of experts would have to be orientated along these lines but also the very basis of selection of experts must be reviewed. The proper steps to follow are firstly, to select the project and determine the values in relation to the applicability of a particular technique. Secondly, to select the expert who fits in with the specific requirements of the techniques and is capable of working with a different orientation which may demand that a set pattern may have to be modified according to the needs of a country. Thirdly, to provide the experts in the field with documentation acquired from years of experience based on real international frame of reference and also give them substantive guidance which cannot come from elsewhere. All these would lead to additional research and documentation. There always is the fundamental question to be answered, is the United Nations authorized to develop a 'philosophy' of its own in the context of technical assistance? Is it not an operative machinery which works according to the wishes of the member governments. In the absence of a specific instruction is it authorised to sell new ideas to the governments? Can it pose to know more than the countries requesting aid what is best for them? If it is possible to give a simple answer, it can be that the United Nations Technical Assistance Programme has been created to help the underdeveloped countries in developing their economic, social and administrative needs, especially through transfer of knowledge. This applies not only to experts sent in the field, but also to those who direct all its activities. The United Nations is an advisory body and it always accedes to the ultimate wishes of the governments. If however it cannot come forward with bold imaginative plans from its unique position and point out to the governments the difference between various ways and means and give advice in the best interest of a country the role of advice would become negligible. The importance of the "Secretariat" is based upon the independent thinking and critical analysis of the experience it goes through at all stages of activity. The exchange of views between the United Nations and recipient countries is a two-way process. There is need for true recognition of this fact if better results are to be expected.

#### FUTURE WORK

The governments should be encouraged to accept more and more United Nations advice at all stages to bring improvement in the areas of programme planning, research, long-range planning, evaluation of experts' work. In research and technical publications which is the weakest part of the work of the Public Administration Division, neglect

impose on a country a specific system or technique. This is why a universal frame of reference is important in studying and defining the basic assumptions and the elements and principles of public has not been deliberate, but due to lack of resources, both financial and personnel. Since the Public Administration Division, while being substantive, has no mandate from the Technical Assistance Committee, Economic and Social Council or any other organ of the United Nations to prepare annual studies and substantive documentation work at stated intervals, research has always had to give way to more pressing activities.

This however is most unfortunate as the basis of any substantive advice or guidance is research. The United Nations could benefit from the experience of former experts, if the material accumulated during the past 7 years could be carefully analysed and disseminated for use of future experts in the field. This type of analysis can avoid future mistakes of the United Nations experts and avoid an approach which may have been tried unsuccessfully before in other countries with a similar background. Another analytical work which has never been tried before but could be attempted is appraisal of results achieved on the basis of experts' recommendations. If facts are collected and examined where the United Nations experts' advice has been applied to government departments and ministries with good results in in-service training, personnel or organization and methods fields, all these can add up to increased experience for the future programme.

A proposal was submitted to the eleventh session of the General Assembly\* for research work in public administration. This illustrates that if there were sufficient resources, studies could be initiated within the general framework of the needs of the underdeveloped countries, with the main emphasis on practical methods of improvement and adaptation. The results can be embodied in manuals, pamphlets or other kinds of publications. The subjects of most interest are : personnel administration and civil service reforms; administrative problems of economic development and economic development planning; the development of local and provincial administration; the organization and function of Civil Service Staff College; the teaching of public administration in universities; the development of in-service training; the introduction of modern office practices; the devolution of authority; the administration of public institutions; and the administration of public corporations. The stage has been reached where without this additional research the real support of the United Nations

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\* A/C. 2/189 Annex 1.

would fall short considerably. In Programme Planning work, what is desirable is to ensure that countries ask for the right kind of assistance, understand what they ask for, and observe faithfully their obligations to make the project successful. The established machinery of the United Nations should make this task easy. Programme planning should be done in the field as it is indeed the case under the present system. But instead of waiting for the governments to make requests, more preliminary discussions should take place for all public administration projects. In this work all offices of the Resident Representatives would be of considerable help. In addition technical assistance personnel should be used for consultation. Whether they are functional experts or not should not make any difference. With their general knowledge of public administration and United Nations' help they are in a position to evaluate local situation in all areas of public administration. Finally, more use should be made of United Nations Headquarters Staff for high-level negotiations and planning. Qualified members of the Public Administration Division should visit the field as necessary for programming and come to general agreement with the governments for a common approach. This has been tried out recently in some Latin American countries with great success. It cannot be emphasized enough how important it is to have a priority planning and a common understanding of the task ahead. This would have the same usefulness as a preliminary survey.

Mention should be made at this stage, of the need for long-range planning. Public administration is one field in which there is some recognition that long-range planning by way of institutes is an absolute necessity in order to make any serious improvement of the administrative efficiency of a government. This also applies to other areas such as personnel policies, classification and pay plan systems, setting up of the organization and methods units, budget and fiscal administration, in-service training programmes at all levels.

It is better to take up a few projects and do it well over a period of time rather than to send a large number of experts as short-term advisers. Most underdeveloped countries have not reached that stage yet when they can make use of short visits and high-level advice. Improvement of administrative systems is not a thing for quick action and quick return. This also has to be made known to the recipient countries of technical assistance.

In advisory services, the United Nations already has acquired considerable experience. To strengthen further this activity it is suggested that the documentary services should be increased. More often than not experts going out in the field know little about the country

of their assignment, its history, cultural, economic and social backgrounds. They know even less of the administrative systems and past heritages, and know practically nothing about the surroundings, facilities and the nature of duties involved in the new assignments. Usually it is considered that it takes two to three months for an expert to get oriented and adjusted to his new surroundings. To help him understand better his assignment before departure it would be useful to prepare a "kit of material" with the background of the administrative and organizational structure of the government; reports if any of the former United Nations experts in public administration; agreements and background information on the project and finally all research material related to the subject-matter in which the expert is expected to assist. No doubt this involves greater staff assistance in the Headquarters, but this should be provided as this is the real guidance that the expert needs. As for future consultation as work progresses, Headquarters should be more frank with the expert when his recommendations are impractical and when the government's attitude make his task difficult.

On the question of other advisory services to the government not included in the terms of reference of the expert's assignment more encouragement should be given to the experts to accept additional responsibility. This is to say that an expert should be given sufficient freedom to give on the spot advice at any time to any one he thinks fit, when such advice is sought. Coordination between the public administration experts provided by various specialized agencies should also be strengthened. These are, for example, education administration experts (UNESCO), Public Health Administration experts (WHO), Agricultural Administration experts (FAO), and many others whose functions are technical but who come to face administrative problems in the course of their work and tend to advise on subjects they are not specially either interested in or qualified for. Many who are not public administration experts tend to give advice on administrative matters in order to overcome their immediate administrative difficulties and to continue their functional activity. In this way experts provided by UNTAA in public administration can be of greater help to a government in their over-all administrative needs.

Training Institutes are considered most important and vital projects in public administration. Since this is considered one of the most important areas of activity a discussion would be helpful as to the nature of Training Institutes most suitable for underdeveloped countries. The general procedure for the setting up of training institutions has been for the United Nations to send a preliminary survey mission to examine the needs of the country. Almost always survey



missions have suggested only training plans, without going into other functions and services the institute might perform, that being left to the governments to decide as a policy matter. In accepting requests for setting up training centres, the United Nations should encourage "Multi-purpose Public Administration Centres". Two things must be considered highly important. First, rate of dissemination and transfer of new techniques and knowledge required; second, its lasting effects within the recipient country. The strengthening of local institutes devoted to the dissemination of public administration knowledge to secure permanent and continuing training effort of technical assistance provided to a country is the primary motivation of the United Nations. It is necessary in underdeveloped countries, particularly the newly-independent countries, to start from scratch and to aid the governments even in the diffusion of the fundamental principles and values in public administration. For this reason training projects should have among their terms of reference three principle functions: (a) documentation and research; (b) training and teaching; (c) technical advice. In general, the important thing to take into account is to provide assistance on a permanent basis in such a way which would tend to bring up local "irradiation sources," deconcentrating the nucleus of inspiration and guidance from headquarters to the field. Three main functions, research, training, advice, should be integrated in team work, interconnecting the experience, knowledge and technical resources of each element into a whole working plan. International personnel, when assigned to a function of this kind, will perform their duties as members of the staff of the institution, as government employees. In public administration it is important to plan on an international rather than an individual basis, in order to make it possible that this initial effort could activate self-help of local sources which then may continue on its own momentum the application and dissemination of new techniques.

Throughout the technical assistance activities it should not be forgotten that countries desiring help from the International Organization are not often aware what is best for them. While their national pride may suggest that no one has superior wisdom than the countries themselves of their needs, all misunderstandings should be dispelled in the beginning, and they be convinced that the United Nations is only suggesting what seems to be most desirable for a country.

As for single experts assigned to a specific project two things might mark a considerable improvement, firstly, to make the assignment of the expert for a reasonably long period of time. Short-term assignments for 4-6 months seldom bring sufficient results. It takes

time for the expert to get orientated and often government's own preparation is not sufficient to use the expert's help immediately on his arrival. For this reason it is believed that as far as possible assignments should not be less than one year, with possible extension for six to eight months. Secondly, to give a wide latitude to the expert in his work, expressing it clearly, in his terms of reference. This is not only to imply that he should have freedom in his work but also that job description should be flexible enough for him to assist and advise if so requested, other departments and Ministries in the simpler work for which he is trained. After he has been in the field it should not be necessary to get clearance from the Headquarters each time he is approached by other governmental bodies for help. In fact it would be even desirable to come to some understanding with the government along these lines at the time of programme planning. It should not be difficult to get the Government's agreement in this matter since they have nothing to lose and everything to gain by this arrangement.

Bringing together the inter-ministerial representatives for co-ordinated effort is a task which the United Nations should more and more undertake. There is obviously need for tact and judgment. One other problem the United Nations must consider more seriously is to bring in the experts in the field more and more closely to the policy planning decisions. Being closer to the job they are better equipped to give the best advice to headquarters which is not otherwise available. Any change that would mean multiplication of service and further stimulation of local aids are additional efforts to develop.

Questions have often arisen both in the debates of the Economic and Social Council and the General Assembly as well as among the students of public administration as to whether or not Regional Centres for Public Administration should be encouraged in preference to National Training Centres. There is no positive answer to this question. Both types of programmes should be encouraged. National Institutes are an inevitable growth of the development of a country, and in line with the project of multi-purpose training centres they ought to be encouraged. On the other hand, Regional Training Centres are equally important. They should be of higher standard than the national institutes. The general feeling is after the nationals have been trained in their own institutes only the best students would be sent to the regional centres for advanced studies. This would to an extent reduce the number of fellowship students in Western countries. The financing of these projects should be on a more stable basis, preferably under the "regular programme" of the United Nations which is charged to the annual budget of the Organization.

The role of the United Nations is of assistance in economic and social developmental activities of governments. Since the governments themselves guide the United Nations and give it the broad directives to work on, there is no reason why within that framework certain initiative cannot come from the Secretariat. These are matters of procedure for developing the policies into workable plans. In reality, the Secretary-General is often asked to prepare reports on specific problems and to come forward with suggestions before the United Nations embarks on a new plan. Changes are justified, particularly in public administrative activities, which should be brought to the attention of the governing body. It is encouraging to note that the Economic and Social Council has decided to discuss questions of public administration in a separate item of the Council's agenda. This gives due recognition to the importance which public administration deserves. Taking advantage of this opportunity United Nations might come forward with bold imaginative plans for promoting public administration developments in underdeveloped countries.

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## THE PROBLEM OF FINANCIAL CONTROL IN THE BOMBAY STATE

*(This paper embodies the conclusions of a Study Group on "Procedure for granting financial sanctions to schemes before incorporating them in the Budget and again before actual implementation" which was set up by the Bombay Regional Branch of the I.I.P.A. The Study Group consisted of Shri J.D. Kapadia, Shri K.P. Mathrani, Shri V.L. Gidwani, Shri S.P. Mohite and Dr. N.R. Inamdar; its conclusions were examined further by a Sub-Committee of the Regional Branch consisting of Shri B. Venkatappiah, Shri N.S. Pardasani and Shri V.D. Gangal).*

**I**t is proposed to consider here the present system of financial control with special reference to the methods adopted in the sanctioning of Government schemes at the State level. The different problems of financial control and especially the aspects of rigidity and delay have latterly attracted increasing attention on account of the national urgency of implementing development plans. It is necessary for an understanding of the subject to examine closely the structure and functioning of the Finance Department. Such an examination is attempted here in the light of the practices and procedures adopted in the Bombay State. The conclusions sought to be drawn may not, therefore, be applicable in their entirety elsewhere. It is also realised that many of the suggestions made here have to be worked out in greater detail before they can be implemented.

### THE FUNCTIONS OF THE FINANCE DEPARTMENT

The functions of the Finance Department are prescribed in the Rules of Business framed under Article 166 of the Constitution which empowers the Governor to make rules for the more convenient transaction of the business of the State Government. In Bombay State the functions of the Finance Department are laid down as follows :-

"11. (1) No Department shall without previous consultation with the Finance Department authorise any orders (other than orders pursuant to any general delegation made by the Finance Department) which—

- (a) either immediately or by their repercussion, will affect the finances of the State, or which, in particular—
  - (i) involve any grant of land or assignment of revenue or concession grant, lease or license of mineral or forest rights or a right to water power or any easement or privilege in respect of such concession; or
  - (ii) in any way involve any relinquishment of revenue;
- (b) relate to the number or grading or cadre of posts or the emoluments or other conditions of service or posts.

(2) No proposal which requires the previous consultation of the Finance Department under sub-rule (1), but in which the Finance Department has not concurred, may be proceeded with unless decision to that effect has not been taken by the Council (of Ministers).

(3) No reappropriation shall be made by any Department other than the Finance Department, except in accordance with such general delegation as the Finance Department may have made.

(4) Except to the extent that power may have been delegated to the Departments under rules approved by the Finance Department, every order of an administrative Department conveying a sanction to be enforced in audit shall be communicated to the audit authorities by the Finance Department.

(5) Nothing in this rule shall be construed as authorising any Department including the Finance Department, to make reappropriations from one grant specified in the Appropriation Act to another such grant."

Thus every proposal involving expenditure has to be referred by the administrative department concerned to the Finance Department for financial sanction. The Accountant General will normally not make any payments unless orders involving expenditure are shown to have been issued in consultation with the Finance Department; and for this purpose a stamp is required to be affixed and, in certain cases, copies of orders sent to the Accountant General through the Finance Department. It is the special concern of the Finance Department to ensure that, on one hand, there is due regard for economy in expenditure, and on the other, due observance of equal treatment to different classes of employees in the matter of remuneration and other service conditions.

#### PROCEDURE REGARDING FINANCIAL SANCTION

Although Heads of Departments have been given certain powers for incurring contingent expenditure and creating temporary posts within certain monetary limits laid down by the Finance Department, there is at present little delegation of financial powers to the administrative departments of the Secretariat. In the result, almost all proposals which involve financial implications are referred by the administrative department of the Secretariat to the Finance Department, with detailed justification. The manner in which references pertaining to such proposals are made to the Finance Department depends on whether the proposal constitutes a new service or is merely in pursuance of an existing scheme or service which had already been approved in consultation with the Finance Department. In the latter case, the proposal can be referred to the Finance Department at any time of the year and, if approved, is generally to be financed from within the grants already sanctioned for that service in the budget. Where the extra expenditure included cannot be so accommodated, it has to be met by a supplementary demand, in case it cannot be met by re-appropriation. Where a proposal constitutes a new service, it has to be referred to the Finance Department within a specified time-limit for scrutiny with a view to including it in the budget. In the old days, when such proposals were comparatively few and simple, it was possible for the administrative departments to work out their full implications and present their propositions in the requisite detail and yet provide enough time for scrutiny by the Finance Department before inclusion in the budget. With the growth of public expenditure, such proposals are now submitted in fairly large numbers and sometimes at too late a stage so that the practice has grown up of making tentative provision in the budget subject to later scrutiny by the Finance Department. This scrutiny is made after the passing of the budget but before the issue of orders. Further in certain other cases (especially large P.W.D. Works), the schemes cover two or more distinct stages which it is seldom possible to work out in advance. In such cases it is usual to obtain the concurrence of the Finance Department for each successive stage as and when detailed orders are required.

While the admitted object of all this procedure is to enable the Finance Department to discharge its twofold function of effecting economy and ensuring uniformity, it would be necessary to enquire in detail as to how the system works in practice. This involves some examination, first, of budget procedure, and then of the structure of the Finance Department.

## BUDGET PROCEDURE

The preparation of the Budget starts six months before the commencement of the financial year. The Finance Department calls for estimates of expenditure which are divided into :—

- (1) Part I-A dealing with fixed pay and fixed allowances for Gazetted and personal salaried officers;
- (2) Part I-B dealing with estimates for other fixed charges, viz. pay and allowances of establishment, contract contingencies, etc.;
- (3) Part II-A dealing with fluctuating charges such as provision for temporary establishment, fluctuating contingencies, etc.; and
- (4) Part II-B dealing with new activities.

From September to November the Finance Department has to go through a mass of material relating to Part I-A, Part I-B and Part II-A of the Budget Estimates for the following year. These Estimates are based on certain general principles and are disposed of by junior officers. The volume of the work involved in this scrutiny is fairly heavy. Until this work is completed, it is not possible to assess the total bill on account of standing charges, *i.e.*, for the maintenance of existing activities. Side by side, however, proposals for new activities to be shown under Part II-B are also considered in the form of New Items. Among New Items, a distinction is drawn between (a) Section I New Items (consisting of entirely new proposals) and (b) Section II New Items (consisting of works in progress and temporary schemes sanctioned from time to time). The latter, *i.e.*, Section II New Items have to be accommodated within the outlay indicated to the departments before provision is admitted for the former, *i.e.*, Section I New Items. This distinction between Section I and Section II New Items is gradually getting blurred since, with a planned programme covering successive five-year periods, it is often difficult to say whether a particular scheme is an entirely new one or is merely the later phase of an activity earlier initiated.

For the reasons which are largely unavoidable, the administrative departments are usually left guessing as to even the approximate amount likely to be available to them, eventually, for their new non-Plan items. Irrespective of this, they usually prepare and forward to the Finance Department fairly numerous proposals, along with descriptions of the schemes, estimates of cost in such detail as may be possible, justification for the expenditure and reasons for urgency. The papers are shown unofficially to the Finance Department, its sugges-

tions, if any, taken into account and modified schemes put forward for consideration. New Items are supposed to reach the Finance Department by the end of October at the latest; in practice, the New Items are in many instances not ready even by the end of November and they keep coming in as late as January. By the middle of December, the Finance Department is in a position to make a provisional financial forecast of the amount likely to be available for new activities on the basis of existing revenues. Items like the additional taxes proposed to be levied, the Central assistance likely to be received and the open market loans proposed to be raised are known only at a later stage. With the advent of the annual programmes of Plan an element of programme budgeting has come into vogue since 1956-57. Sometime in October, the Planning and Finance Departments work out a tentative allocation of resources available for the next year and indicate to all departments the approximate amounts on revenue and capital accounts likely to be placed at their disposal for their Plan schemes. Within these allocations, the departments are required to distribute the outlay on different schemes subject to the priorities indicated by the Government or the Planning Commission. By the beginning of January, the resources position for the next year is estimated in consultation with the Government of India and the Planning Commission so far as the Development Programme is concerned. The Budget is presented to the State Legislature in February, and the necessary grants passed by the Legislature by the end of March. Expenditure can then be incurred on various items included in the Budget provided that, where the details of a scheme have not been previously approved by the Finance Department, they have to be referred to it for approval before issue of orders.

If during the course of the financial year a proposal for which no provision exists in the Budget is made by any department and approved by the Finance Department, the expenditure is usually met by re-appropriations and if this is not possible, by obtaining the sanction of the Legislature by way of supplementary demands. In cases of exceptional urgency, the expenditure can be met by an advance from the Contingency Fund provided sanction is obtained from the Expenditure Priorities Committee which consists of the Finance Minister, Chief Secretary and the Finance Secretary. The advance has to be recouped later by a supplementary grant voted by the State Legislature. As the amount available in the Contingency Fund is limited, this procedure is reserved for unforeseen demands of an urgent nature.

#### STRUCTURE OF THE FINANCE DEPARTMENT

The Finance Department consists of 30 Branches grouped as follows under different Sections :—



(1) Finance : There are 6 Branches concerned with scrutiny of the various schemes (including Power Projects like Koyna, Kakrapar) and of items of contingent expenditure.

(2) Budget : There are 4 Branches concerned with the work of the Budget, Appropriation Accounts, Ways and Means and Central Financial Assistance.

(3) Reorganisation : There are 2 Branches concerned with assets and liabilities of the component parts of the new Bombay State, posts and fixation of pay of allocated Government Servants.

(4) Services : There are 8 Branches dealing with creation and continuance of posts, regulation of conditions of service like leave, pension and Travelling Allowances.

(5) Vigilance : There are 2 Branches concerned with expeditious settlement of audit objections, pension claims, budgetary irregularities, etc.

(6) General : There are 5 Branches dealing with administration of Sales Tax, Company Law, Statutory Corporations, Treasuries and Issue Sections and Small Savings.

(7) Insurance : There is 1 Branch dealing with the administration of Insurance Fund.

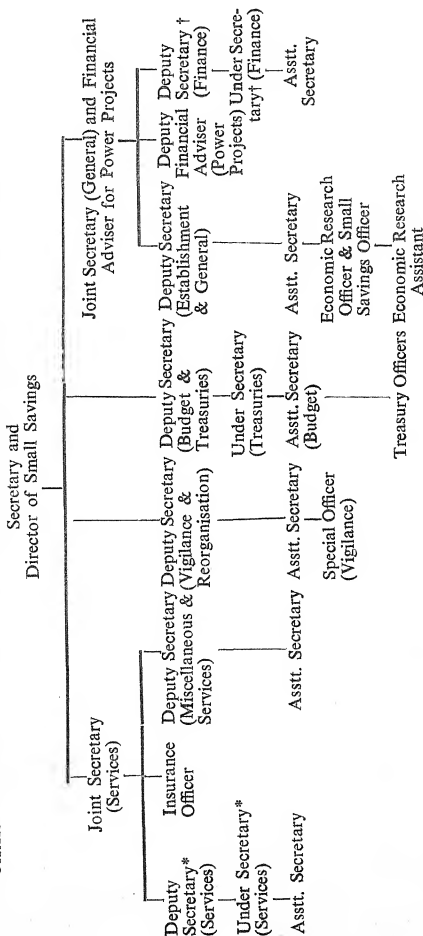
(8) Establishment : There are 2 Branches dealing with the establishment of the Finance Department as also of offices under its administrative control such as Sales Tax, Bureau of Economics and Statistics, Treasuries, etc.

Each Branch consists of a Superintendent, three or four Assistants and two or more Clerks. Above the Superintendents are Assistant Secretaries and Under Secretaries, and above them Deputy Secretaries. The Chart given opposite will serve to give a broad indication of the distribution of work among the officers of the Finance Department, including the Joint Secretaries and, finally, the Secretary.

#### DISPOSAL OF REFERENCES

The bulk of the references made to the Finance Department are unofficial, in the sense that instead of writing a self-contained letter to the Finance Department all the relevant papers are shown to it. These papers are returned to the administrative department concerned after recording the views of the Finance Department. These references can be divided into different categories, *viz.*, those relating to the sanctioning of schemes, those dealing with service matters and those relating to the subjects allotted to other sections in the Finance Department.

CHART SHOWING DISTRIBUTION OF WORK AMONG FINANCE DEPARTMENT OFFICERS



\* is also in charge of one Finance Branch

† is also in charge of one Services Branch

The first two categories are dealt with in the relevant Finance and Services Branches according to the departments from which they come to the Finance Department (with the exception that on the Service side there are some specialised Branches which deal with general questions like pensions, travelling allowances and so on and these receive references from all departments). Each Branch on the Finance side has been allotted specific departments of the Secretariat. Thus, the Revenue Department has been assigned to the Branch F-1 on the Finance side and Branch S-3 on the service side. All unofficial references coming from the Revenue Department will, therefore, go to Branch F-1, if they relate to any of the subjects allotted to the Finance Section and to S-3, if they relate to any of the subjects allotted to the Services Section. As regards the remaining references, they are dealt with by the other appropriate Branches of the Finance Department according to the subject-matter of the references, irrespective of the department making the reference. Thus, a reference coming from any department on a certain point in connection with the Appropriation Accounts will be dealt with by Branch B-2. If the case involves points pertaining to two or more sections in the Finance Department, it travels through the respective Branches. Thus, a proposal to create a library section in a certain Government college will first be received in Branch F-2. That Branch will examine the merits and the financial implications of the proposal. It will then submit the papers through Branch S-2, S-6, S-7, etc. for examining such parts of the proposal as pertain to staff, scales, allowances, etc. and through Branch B with reference to the budget provision. The cases travel through these Branches and also the respective sectional officers in charge. There are no hard and fast rules as to which cases should be submitted to higher officers. This is left to the discretion of the junior officers. Some broad criteria, however, exist. For instance, a proposal involving a material deviation from the provisions of rules or considerable extra cost would normally be submitted to the Deputy Secretary and even to the Joint Secretary or the Secretary.

On account of the procedure mentioned above, the disposal of important and complicated cases is liable to be delayed. Sometimes the delay is appreciable. Where the Finance Department does not accept the proposal or agrees subject to modifications which are not acceptable to the administrative department concerned, the papers are generally sent back to it by the administrative department with additional information or justification. The case is at this stage generally dealt with at the officer level in the Finance Department, though even then, if detailed scrutiny is necessary, it may once more go through all the stages mentioned above.

## SOME GENERAL OBSERVATIONS

During the last ten years there has been a significant change in the volume and nature of the activities undertaken by State Governments, especially in the departments concerned with welfare and development. In particular, the level of capital expenditure on construction works pertaining to irrigation, power, roads and buildings, has multiplied several times. There has therefore been a substantial increase in the volume of work in all departments including the Finance Department. There has not been a corresponding increase in the staff of these departments. Moreover, the increase in activity and expenditure has not been offset by any delegation of financial authority, with the possible exception of community and local development works. Further, as a result of too rapid promotions and other reasons such as fall in educational standards, the scrutiny of references either in the administrative departments or in the Finance Department is not as thorough as it used to be or as it ought to be in view of the large amounts of public money involved. Sometimes, even the preliminary scrutiny applied in the administrative departments is inadequate owing partly to pressure of work and partly to lack of technical assistance in budgetary matters. As the strings of financial control are held tightly by the Finance Department, there is also a perceptible tendency on the part of administrative departments to anticipate a "treasury-cut" and inflate their expenditure proposals accordingly. Such a state of affairs can be improved only if the responsibility for a proper formulation of proposals after examination of the financial implications is placed on the concerned administrative department and the Finance Department confines itself to its dual role of ensuring economy and uniformity within the plan allocations for a particular scheme.

It is also necessary that the Finance Department should readjust its traditional functions to suit the compelling requirements of planned development without detriment to its statutory duties as the watchdog of the State. It was inevitable that the scope of scrutiny exercised by the Finance Department should have diminished after the advent of Planning. A reference has already been made to the introduction of the "Annual Plan" whereby the administrative departments are empowered, within limits and subject to priorities, to distribute their total allocations for the budget year among the various schemes pertaining to their heads of development. In effect, the Finance Department has usually to accept the order of priority indicated to it and not question it on financial grounds. It is also necessary to recognise that the traditional role of the Finance Department as the sole judge of the

relative urgency of different schemes can no longer be maintained in implementing a Planned programme. In the formulation of that programme for the five-year period as well as for each year, the resources position and the general considerations of economy which are the special concern of the Finance Department are already taken into account. But once the magnitude of the programme is settled, no rearrangement of priorities is allowed to be effected on what in substance are financial grounds. This implied limitation on the traditional role of the Finance Department is inherent in Planning and has now to be recognised as an undisputed fact. This, however does not mean that the Finance Department should divest itself of responsibility to suggest modifications of various items including reductions in the amounts required for different schemes, on the basis of the criteria for economy and uniformity usually applied by it. While the Finance Department should not question the need for a particular scheme included in the Development programme, it should not hesitate to examine whether the measures adopted to attain the object of the scheme are really the most economical. Unless this function is discharged adequately, the limited resources available will not be utilised to the maximum advantage. The type of scrutiny which the Finance Department is now called upon to carry out is, therefore, somewhat different from what it was before the advent of Planning. In so far as activities hitherto not undertaken by public bodies are being included in our programmes, the Finance Department has also to equip itself adequately to examine the financial implications of such schemes, review their progress and suggest modifications from time to time in the interest of economy.

Since a large proportion of activities in the Plan is not of the usual administrative type it is also necessary that the Finance Department should adopt a more constructive, as distinguished from a merely critical, approach to the problem of finance than has been the case in the past. It must be borne in mind that reduction in expenditure is not always equivalent to the effecting of economy. Keeping down expenditure may mean postponement of development or reduction in quality or efficiency of work done, apart from other undesirable social consequences such as unemployment and low wages. The role of the Finance officer is at present usually restricted to accepting or rejecting wholly or in part the proposals prepared by the administrative departments. It is very rarely that they offer alternative proposals which are likely to result in increased expenditure though such suggestions could be easily justified on a broader view of what would be economical in the long run. The traditional approach is sometimes defended on the principle of division of functions. It is felt that the

best results would be achieved if the responsibility of putting up proposals for additional expenditure is placed entirely on the administrative department and the Finance Department looks at the problems only from the point of view of reducing expenditure. But, such an approach deprives the officers in the Finance Department of opportunity of exercising initiative in the interest of economy in the long run and encourage a spirit of bargaining between the administrative departments and the Finance Department.

The Finance Department does not have also the necessary expert regarding the working of different types of schemes which come up for scrutiny. It would, therefore, be necessary to arrange for a systematic exchange of officers at different levels between the Finance Department and the administrative departments if the Finance officers are to perform their role with efficiency and responsiveness. This interchange is also called for from the point of view of the administrative departments who will thereby get officers with financial experience to assist in their work. With a view to enable the Finance Department to discharge its changed role in a more effective fashion, some changes in procedure and structure are suggested in what follows.

#### NEED FOR DELEGATION

As stated earlier, the financial powers delegated to the administrative departments are so limited that even the smallest proposal involving expenditure has to be referred to the Finance Department. This worked well when the Secretariat was a relatively small organisation and the number of proposals to be referred to the Finance Department was limited. Today, this complete lack of delegation of financial powers to administrative departments cannot be justified and is a source of irritation and delay. The extent to which delegation can be made has, of course, to be worked out with care and deliberation. At the same time there is no doubt that delegation of financial powers to the administrative departments on a more liberal scale will be of considerable help. For instance, power to sanction non-gazetted posts and to incur contingent expenditure in connection with the approved schemes can safely be delegated to the administrative departments subject to certain monetary ceilings to be prescribed for the purpose and further subject to necessary safeguards, *e.g.*, adherence to the prescribed standard of pay scales and allowances and to the other general rules and regulations laid down by Finance Department, availability of budget provision, etc. Under these arrangements the departments will have to seek the concurrence of Finance Department only in cases where the rules are proposed to be relaxed. The departments can also be given

full powers of reappropriation of funds as between two minor heads under the same major head without consulting the Finance Department provided both the minor heads affected are under the control of the same department. Incidentally, the present Financial Publication No. VII which specifies the several financial powers delegated to various officers, has been compiled on the basis of the content of the power as the main category, *i.e.*, it specifies the powers in one column of the statement and the various officers who enjoy them in another. It is thus somewhat difficult to find out from this manual the various powers enjoyed by a particular category of officers. If the publication is revised or another publication issued to show the categories of officers in the principal column, this is likely to prove more useful. In order to ensure that the delegated authority is exercised with responsibility, such delegation could be made on condition that all sanctions of the posts by the administrative department are approved by the Secretary of the Department. As this delegation will be subject also to the Budget provision which is determined from year to year in the light of Plan allocation, the administrative department will ordinarily have an adequate incentive for avoiding wasteful expenditure.

#### INTERNAL ACCOUNTS OFFICERS

In order to facilitate the exercise of delegated powers all major departments of the Secretariat and offices of some of the Heads of Departments should have an Internal Accounts Officer either separately or jointly with another department. These officers should have adequate experience in budget and accounts matters as well as knowledge of the various financial rules. They should be required to undergo a course of training either in the Finance Department or in the Accountant General's office, but such a training can be dispensed with if they have previous experience of the working in either of these two offices. They should be under the administrative control of and be responsible to the Heads of the Departments to which they have been appointed. It should be the duty of these officers to apply the same type of financial scrutiny as the Finance Department adopts so that before the proposals go to the Finance Department their financial implications are fully examined. According to the general procedure of budgeting followed at present the officers of the Finance Department have to go through a mass of material relating to Part I-A, Part I-B and Part II-A of the Budget Estimates for the following year. The volume of work involved is so heavy that the time of these officers is taken up entirely in this comparatively routine type of work. This work also can, without possible loss of accuracy, be left to the administrative departments provided certain principles underlying the preparation of Budget

Estimates are laid down clearly for the purpose of guidance and the departments are given the assistance of Internal Accounts Officers. The administrative departments also have on occasion to make references to the Finance Department for purposes of ascertaining whether funds are available under certain budget provisions. Such references can be avoided if each administrative department is asked to maintain a "Source Book" for the purpose of accommodating its expenditure within the sanctioned amount. This work can also be conveniently entrusted to the Internal Accounts officer. During the last few years, the importance of Central assistance for financing the Development programme of the States has increased rapidly. There are a number of schemes for which Central loans and grants are available provided the schemes are prepared on certain lines approved by the Government of India. This pattern of Central assistance calls for a detailed and continuous scrutiny at the departmental level, if the claims for the amounts due to the State Government are to be made properly and in time. The need for an Internal Accounts Officer to attend to this work is also evident. With more experience it should be possible to delegate larger powers and upgrade the status of the Internal Accounts Officer so that references to the Finance Department are kept to the minimum necessary for the efficient discharge of its statutory duties.

#### BUDGET CALENDAR

With regard to budgetary procedure, we have already noted the great rush with which New Items have to be scrutinised in the Finance Department, the period effectively available being about two months. Moreover, the administrative departments also keep on sending such items until late in the year when the Budget is about to be finalised. As a result, there is no detailed scrutiny of such proposals and the items which are included in the Budget have again to be examined in detail, resulting in duplication and delay. Instead of calling upon the administrative departments to submit New Items by a particular month, it is suggested that they should be encouraged to formulate and submit new schemes throughout the year. In that case, departments will have enough time to prepare detailed schemes and the Finance Department will also be in a position to exercise proper scrutiny. The other point is that only New Items received and scrutinised in detail by a particular date might be admitted. As the dates for submitting Budget Estimates, New Items, etc., are prescribed in the Budget Calendar and notified to the departments and controlling officers in advance, it would no doubt be an ideal solution if detailed scrutiny of New Items is completed before these dates, so that the final inclusion of these items in the Budget is made by Government with full knowledge of their financial implications



and the administrative departments can implement the schemes immediately after the Budget is passed. It is, however, doubtful whether in the present circumstances, this ideal can be fully attained. It is therefore suggested that New Items which are sent in late and are not scrutinised in detail before inclusion in the Budget should be sent to the Finance Department for detailed scrutiny which should be completed during the months of January to March, so that draft orders for sanctioning schemes are kept ready before the beginning of April. This procedure will avoid the delays which occur at present on account of scrutiny being carried out after commencement of the financial year for which the schemes have to be approved. It could be further ensured that all preliminaries in respect of new works proposed to be undertaken in the ensuing year *e.g.*, administrative approval, technical sanction, preparation of plans and estimates, acquisition of sites, etc. are duly completed before the close of the year which is current. Similarly, the administrative departments should also see that, as a rule, orders regarding executive sanctions to the new schemes and distribution of grants to various regional officers are issued immediately after the passing of the Budget.

#### BUDGETARY CLASSIFICATION

It may be argued that since Section II New Items represent continuing schemes or works in progress and have already been accepted by the Legislature, though on a provisional or temporary basis, it is not necessary to have them examined by the Finance Department prior to their inclusion in the following year's Budget and that they can therefore, be included in the Budget straightaway. This would not, however, be desirable as the approval accorded to them by the Legislature is of limited character in so far as most of these schemes are sanctioned for a specific period (mostly one year) in the first instance. It is, therefore, necessary to scrutinise these schemes with a view to ascertaining whether they have actually been started, and if so, whether the progress made justifies their continuance and also whether having regard to the financial forecast for the following year the outlays on such schemes should not be modified. It is for this reason that Section II New Items are placed before the Council of Ministers. With the increase in the volume of work, it has become more difficult to scrutinise all Section II New Items with the result that many of them are almost automatically included in the Budget and the detailed descriptions prepared by the administrative departments serve no practical purpose. It is therefore suggested that while the practice of forwarding Section II New Items to the Finance Department be continued, the labour involved in preparing elaborate details could be avoided.

Where schemes have already started and are merely required to be continued without any significant expansion or change, the provision required therefor can be straightaway included in the Budget. Where, however, schemes have been sanctioned on an experimental basis or large works are in progress or lump-sum grants are provided, the need for a more critical examination would continue.

#### REORGANISATION OF THE FINANCE DEPARTMENT

We have already noted that the present structure of the Finance Department is not conducive to a quick and co-ordinated appraisal of the schemes submitted by the administrative departments. The delegation of financial powers and the appointment of Internal Accounts Officers proposed above would reduce the number of references to the Finance Department and also improve the form in which proposals are presented to that Department. For effecting further improvement, it would be desirable to rearrange the distribution of work among the branches of the Finance Department in such a manner that all references pertaining to a particular department of the Secretariat are received and dealt with in one single branch of that department irrespective of the subject-matter of those references. For this purpose the branches in the Finance Department can be divided into Specialised and General Branches. The Specialised Branches (such as those dealing with the Budget, Ways and Means, Appropriation Accounts, Treasuries, Small Savings or Amendments to the Bombay Civil Service Rules) can continue to remain as separate branches dealing with references from all departments. But the General Branches dealing with financial sanctions and services will have to be rearranged on the basis of references from particular departments. In so far as references from one department are too many to be dealt with in one branch the necessary co-ordination could be secured by putting two or more branches under the same officer. One advantage of this rearrangement of branches would be that the administrative departments would have no difficulty in locating their cases and in getting them disposed of by the Finance Department staff. This would also facilitate the settling of differences of opinion between the administrative departments and the Finance Department by personal discussion at the officer level. Another important advantage of this arrangement would be that the Deputy Secretaries of the Finance Department would be fully conversant with the activities of one or more administrative departments and could generally assume the role of Financial Advisers for such departments. It is possible that, as more and more officers of the Finance Department function in this way, they along with their staff could be physically located in the administrative departments

themselves, although they would continue to function as an integral part of the Finance Department and under the direct control of the Finance Secretary. This, in course of time, would result in the Finance Department having officers who would be intimately acquainted with the activities of particular departments and who, therefore, would be in a position to discharge their functions with a greater understanding of the requirements of the various departments.

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## PUBLIC ADMINISTRATION IN NEPAL

*Ram Chand Malhotra*

THE traditions of an organised system of public administration in Nepal are more than a century old. The formal framework of the system was laid down and the "*Ains*" and "*Sawals*" (Acts and Regulations) were formulated and codified a century ago by Jang Bahadur Rana, the first Rana Prime Minister of Nepal. During the next one hundred and four years of the Rana regime, though the number of Government departments varied from time to time and the "*Ains*" and "*Sawals*" were modified and expanded in scope, the basic structure of Nepal's public administration changed but little.

### THE RANA REGIME

During the hundred and four years (Sept. 1846-Feb. 1951) of the Rana regime, though the Prime Minister ruled the country in the name of the King, he ruled supreme. Prime Ministership was made perpetually hereditary in the Rana family, and the Prime Minister and his successors were granted virtually dictatorial powers by the '*Sanads*' of 1846 and 1856, which Jang Bahadur Rana was able to extract from the then reigning monarch.

The Prime Minister was "thereby given the powers of life and death and punishment, of appointing and dismissing all Government servants, of declaring war, concluding peace and signing treaties with all foreign powers including the British, the Tibetans, and the Chinese, and finally, he was given the authority to make new laws and repeal old ones, civil, criminal, or military."<sup>1</sup> The Prime Minister, in short, combined in himself, in practice, the functions of the Chief Executive or the Head of the Government, the legislature and the highest court of appeal in the country, and thereby used the absolute powers which normally belonged to the King<sup>2</sup>.

A Rana Prime Minister was succeeded by the next eldest member in the Rana family. The Prime Minister also held the title of the "Supreme Commander-in-chief". Next in hierarchy to the Prime Minister were the Commander-in-Chief and four Senior Commanding Generals who were also respectively next in the line of succession to

1. Percival Landon, *Nepal*, Vol. II, London, Constable & Co. Ltd., 1928, p. 147.

2. The King's role was very much similar to the role of the Japanese Emperor during the Tokugawa period in Japanese history.

the Prime Ministership. The lines of succession as well as the administrative hierarchy tended to coincide with each other, strictly on the basis of seniority. This principle of seniority permeated even the lower levels of administration. Promotions in the lower and middle grades were made on a system of "Roll Promotion" which was almost a "Roll of succession" within the office.

The Commander-in-Chief, who also functioned as "*Mukhtiar*" or Deputy, and in later years held the formal titles of "Commander-in-Chief" and "Minister" looked after all affairs of civil administration. The four Senior Commanding Generals designated after the four directions of Kathmandu functioned really as Heads of the larger departments that were assigned to them. Below the Senior Commanding Generals in rank, but directly responsible to the Prime Minister through the C-in-C in the administrative hierarchy, were other Heads of Departments, known as Directors-General. They were also members of the Rana family and also invariably held military ranks. Thus, during the Rana regime, civil and military administrations were not only closely inter-related but even merged into one at the higher levels of the hierarchy.

#### CABINET GOVERNMENT

With the advent of the Cabinet form of Government in early 1951 and with the blessings and wise guidance of the progressive-minded late King Tribhuvan Vir Vikram Shah Deva, a change in the administrative system also became necessary. The "Interim Government of Nepal Act" promulgated on the 18th February, 1951 provides for a democratic form of Government for the country with a Council of Ministers as the Heads of H.M.'s Government<sup>3</sup>. The Prime Minister is at the head of the Council which is collectively responsible to His Majesty the King. The Prime Minister as well as the Ministers are appointed by His Majesty the King and hold office at His Majesty's pleasure. The Act is to remain in force until such time as an elected Government shall be formed under a new Constitution.

The Act popularly known as the "Interim Constitution" visualises a parliamentary form of democratic government providing for the effective delegation of powers from the King of the Ministers who are to aid and advise His Majesty the King.

The first measure of administrative reform introduced under the new set-up was the establishment of a Central Secretariat and the

3. The designation "*Nepal Sarkar*" or the Government of Nepal has been officially changed to "*Shree Panch ko Sarkar*" or His Majesty's Government, with effect from the beginning of the current Vikrami year 2015 (April 13, 1958).

various "Ministries" therein. New and higher cadres of the Civil Service were created, and appointments made to them. The old scales of pay were revised and upgraded two to five-fold. The number of Ministries has varied with different governments during the last six years and has ranged from nine to fourteen. At present, the number of "Ministries"<sup>4</sup>, as reorganised by His Majesty King Mahendra more than two years ago on a rational basis, is nine as given below :<sup>5</sup>

- (1) Ministry of Home Affairs, (2) Ministry of Foreign Affairs, (3) Ministry of Defence, (4) Ministry of Finance and Land Revenue, (5) Ministry of Food, Agriculture, Irrigation and Forests, (6) Ministry of Commerce and Industry, (7) Ministry of Health, Education and Local Self-Government, (8) Ministry of Public Works, Transport and Communications, and (9) Ministry of Law and Parliamentary Affairs.

The permanent head of each Ministry is a Secretary, who is a civil servant, and under him are Deputy Secretaries, Assistant Secretaries, gazetted (class III) officers, non-gazetted officers, and senior and junior clerical staff, all drawn from the Civil Services. To co-ordinate the functions of all the Ministries in the Central Secretariat there is a Chief Secretary to H.M.'s Government, who also functions as Secretary to the Council of Ministers.

The permanent civil service staff of each 'Ministry' is responsible to the Minister-in-charge and advises him on matters of policy and also in the administration of plans and programmes in the Ministry's particular sphere of responsibility. The actual execution of programmes and activities, however, is left to the executive Departments which are also organised on a functional basis and are responsible to the respective Ministries. The number of such executive and technical Departments, as at present constituted, is twenty-nine, namely, the Departments of : (1) Publicity, (2) Radio Nepal, (3) Hospitality, (4) Customs Commissioner, (5) H.M.'s Mint, (6) Accountant General's Office, (7) Terai Land Revenue, (8) Hills Land Revenue, (9) Survey, (10) Agriculture, (11) Irrigation, (12) Forests, (13) Food, (14) Village Development, (15) Rapti Dun Development Administration, (16) Co-operative, (17) Industries, (18) Cottage Industries, (19) Civil Supplies and Central Purchase, (20) Mines, (21) Education, (22) Health Services, (23) Nepal Museum, (24) Archaeology, (25) Panchayats, (26) Communications, (27) Public Works, (28) Electricity and Ropeway, and (29) Civil Aviation, Railway, and Road Transport. Besides these, there are also the Army Headquarters with the

4. These are officially known as Secretariat Departments during the periods when there is no Cabinet, i.e., when there is 'direct rule' by His Majesty the King.

5. "His Majesty's Government (Allocation of Business) Rules, 2015", *Nepal Gazette*, September 22, 1958.

Commander-in-Chief at its head and the Police Department under the Inspector-General of Police.

At the head of the executive Departments are Directors, one or more Assistant Directors, and technical and other officers of "gazetted" and "non-gazetted" ranks. Though all Departments have their headquarters in Kathmandu, most of them have their branch or field offices in almost every District, and it is through their branches or district offices that they administer and execute their activities throughout the country.

Thus, below the level of the Council of Ministers, three levels of central administration may be identified in Nepal :

- (1) The Central Secretariat or the level of the "Ministries" (Secretariat Departments) which formulate policies and plans and advise their respective Ministers.<sup>6</sup>
- (2) Executive Departments, which co-ordinate the preparation and execution of programmes and projects in their respective areas of responsibility, throughout the country.
- (3) Departmental field or branch offices, which execute activities and programmes in their local areas under the direction of their respective Departments.

Besides these levels of central administration, co-ordination of the Central Government's programmes and activities and collection of revenues in the Districts is done through the *Bada Hakim's* offices and '*Mal Addas*' in the District Headquarters.

#### DISTRICT ADMINISTRATION

The country, for administrative purposes, has been divided into 32 Districts, each with its headquarters wherein is located an office of the *Bada Hakim* or the District Administrator, often times called "Governor". The Districts are classified into "A", "B", and "C" classes and the total number of Districts in each class is as follows :

<i>Class</i>	<i>Number of Districts</i>
A	7
B	9
C	16

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TOTAL 32<sup>7</sup>

6. His Majesty the King during 'direct rule' by the King.

7. Class "A" Districts :

"East" (from Kathmandu)—in the Hills (1) Dhankuta,  
in Terai (2) Birganj (3) Mahottari  
(4) Saptari, (5) Biratnagar.

Broadly, the District headquarters in the Terai, mostly Class "A" and "B" Districts, are known as "Goswaras", i.e., the District Headquarters in the Hills, mostly Class "C" Districts, as 'Gaundas', 'Garhis' and 'Chhoti Gaundas'. The Valley of Kathmandu is administered by a Valley Commissioner and three Magistrates. The latter perform similar functions as a *Bada Hakim* in a district in the three cities of the Valley, namely : (1) Kathmandu (or Kantipur), (2) Patan (or Lalitpur), and (3) Bhatgaun (or Bhaktapur).

The *Bada Hakims* function as representatives of the central administration in their respective districts, and as such, act as representatives of the various Ministries and their executive Departments. An important function of a *Bada Hakim*, therefore, is to coordinate the various activities of the central Departments in his District and work for an all-round development of the District. A *Bada Hakim's* traditional functions have been maintenance of law and order, collection of land revenue and other revenues, and administration of such programmes and activities for which the respective central Departments may not have any organized machinery such as a branch or field office in the Districts.

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"West"	...	...	in the Hills (1) Palpa,
			in Terai (2) Palhi Majha Khand.

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Total Class "A" Districts: 7

Class "B" Districts :

"East"	...	...	in the Hills (1) East No. 1, (2) Ilam
			in Terai (2) Jhapa
			in the Hills (3) West No. 1 (2) West No. 3
			(3) Doti
			(4) Sivaraj Taulihawa
			(5) Banke Bardia
			(6) Kailali Kanchanpur

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Total Class "B" Districts: 9

Class "C" Districts :

"East"	...	...	in the Hills (1) East No. 2 (2) East No. 3
			(3) East No. 4 (4) Chisapani
			Garhi (5) Udayapur Garhi
"West"	...	...	in the Hills (1) West No. 2 (2) West No. 1
			(3) Baglung (4) Gulmi
			(5) Salyan (6) Piuthan
			(7) Dailekh (8) Dadel Dhura
			(9) Jumla (10) Baitadi
			in Terai (11) Dang Deukhuri

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Total Class "C" Districts: 16



Besides the 'Garhi' or 'Gaunda' or 'Goswara' (*Bada Hakim's* Headquarters) in a district, there are a "Mal Adda" (Revenue Office) and 'Amini' or 'Adalat' (District Court). The actual collection of land revenue and other revenues and their safe custody etc. are the responsibility of the 'Mal Addas' which report to a central Land Revenue Office and the Revenue Division of the Finance Ministry of the Central Government through the *Bada Hakim's* office. Other departmental field or branch offices in a district also normally report to their head offices (i.e., Departmental headquarters) through their respective *Bada Hakims*.

Lately there has been a growing tendency on the part of the Central Departments to set up their own regional headquarters in the Districts and bring their field or district offices directly under the control of their regional offices and restrict the *Bada Hakim's* authority over their field offices only to "general supervision".

#### LOCAL SELF-GOVERNMENT

The second level of Government in Nepal is at the local level organised as 'Gaon' or 'Nagar' Panchayats. The first 'Gaon Panchayat Act, and Panchayat Court Act and the District Court Act were promulgated during the Rana regime in the Vikrami years 2006 and 2007 (1949 and 1950) and the Gaon Panchayat Act and the Panchayat Court Act were replaced by the Act of 2013 (1956). A "Nagar Palika Act" was also promulgated in 2012 (1955). The Panchayat Goswara or the Department of panchayats, whose responsibility it is to constitute new panchayats as prescribed in the two Acts and to supervise and guide all panchayats after their formation, is at present undergoing a major reorganisation. The Department is supervised by the Division of Local Self-Government (formerly a full-fledged Ministry) in the Ministry of Education, Health, and Local Self-Government.

#### ADMINISTRATIVE REORGANISATION

As already indicated, reorganization in the old administrative machinery of H.M.'s Government became imperative with the change in the form of the Government in 1951. The change was so sudden and unexpected and Nepal's administrative resources so meagre to meet the new situation that assistance of a few senior civil servants was requested from the Government of India. Consequently, three Indian Advisers, drawn from the Indian Civil Service, were loaned by the Government of India to Nepal. They assisted the Government of Nepal in the early days of transition in preparing Nepal's first Budget

for the fiscal year 1951-52, and in drafting the basic laws such as the "Interim Government of Nepal Act, 2007" (1951).

In July 1952, the Government of India sent at the request of H.M.'s Government a Commission, popularly known as the 'Buch Committee', under the chairmanship of Late Mr. N.M. Buch, I.C.S., Joint Secretary to the Government of India, to make an appraisal of Nepalese administration and making recommendations to H. M.'s Government of Nepal for a comprehensive reorganisation of its administrative structure. The Buch Committee's report was accepted in principle by H.M.'s Government of Nepal in 1953, and several of its recommendations were adopted. The Buch Committee's recommendations, as accepted and implemented by H.M.'s Government, related mainly to the number of Ministries, their internal organisation, and the allocation of Government business among them.

The first indigenous effort to reorganise the administration in a systematic and comprehensive or on an "all-fronts" manner was made by H.M.'s Government in July 1956, when a high-level Administrative Reorganization Planning Commission (ARPC) was appointed by the Government with the Prime Minister as the Chairman. The membership of the Commission is composed wholly of senior civil servants and primarily of the Secretaries to the Government. Besides the Secretaries, three members were nominated on the basis of their individual aptitudes. Two of these are young officers trained in public administration abroad.

The Commission formulated its own terms of reference covering broad aspects of public administration in Nepal and outlined its programme of work and priorities. The Commission received considerable support from its first chairman, Hon'ble Tanka Prasad Acharya, and was able to do considerable amount of business in its first year of existence. The Commission drafted Nepal's first Civil Service Act and Civil Service Regulations under the Act, and these were promulgated in August 1956 and November 1956 respectively. One of the earliest recommendations of the Commission was for the establishment of an O & M Office, which was created in July 1956 and located in the Ministry of Finance<sup>8</sup>. The Commission also approved the adoption of a Secretariat Manual prepared by a few senior civil servants on their own initiative. Programmes for training senior and junior civil servants in public administration were also recommended by the Commission. The detailed plans for the setting up of an Institute of Public Administration and a Clerical Training Centre have been approved by the Government. Seminars on various aspects of public

8. O & M Office has been transferred to Home Ministry w.e.f. September 18, 1958.

administration with special reference to Nepal have been already started with the assistance of U.N. experts under the auspices of the Institute of Public Administration which was formally declared open by His Majesty the King on February 18, 1958, Nepal's National Day.

The Civil Service Act, 2013, visualises the constitution of a Nepal Administrative Service (NAS) and several other services on a functional basis. Rules for the constitution of the NAS, also drafted by the ARPC, lay down, in detail, a procedure for preparing a list of eligible candidates in order of seniority to be determined by both merit and length of service, 'weighted' almost equally. Interviews of all the civil servants of 'gazetted' rank were completed almost a year ago by the two Boards as provided for in the Rules of the Constitution, of the NAS, and information regarding their academic qualifications, length of service etc. called for by the Boards on prescribed forms. The results, however, are awaited.

With the announcement of the results, the Nepal Administrative Service and the Nepal Foreign Service would be constituted. Then the formation of the remaining services, mainly technical, such as the Nepal Education Service, Nepal Health Service, Nepal Forest Service, Royal Palace Service, etc., will be taken up. Upon the constitution of all these services, the new pay scales as recommended by the ARPC and already approved by the Government, will also come into force. With these measures a framework for public personnel management in Nepal would be laid on a sound footing.

The Commission has already prepared its recommendations with regard to the structure of the administrative machinery both at the Centre and in the Districts. A plan for districts reorganisation prepared by the Commission has already been accepted in principle by the Government. Details of its working have also been more or less completed, and a Manual for *Bada Hakims* (District Governors) also prepared. The Commission has yet to finish its work in the important field of financial management. A few reforms in budget preparation were initiated by the O & M Office in cooperation with the Division of Budget and Expenditure of the Finance Ministry two years ago. But the tasks of working out as well as implementing the details of a satisfactory budget, accounting and audit procedure still remain to be finalised. Also all necessary forms and manuals will have to be prepared. Considerable improvements, it is felt, will be required in both the organization and procedures of financial management in His Majesty's Government of Nepal.

The ARPC would appear from its composition to be more or less a permanent body, especially in view of its special advantages as a

high-level body within the Government. The Commission could usefully provide a permanent forum for the Secretaries to His Majesty's Government to discuss common administrative problems, with a view to finding their solutions and improving all levels of administration as a whole. Its potentialities are great, though obviously the effectiveness of the Commission would largely depend on the support that it would receive from the Prime Minister in particular and the Government as a whole. The original conception, however, was that the Commission would make recommendations for laying the basic framework for sound public administration in Nepal, and after the spadework would have been done and the foundations laid and its job completed, the task of initiating and carrying on the process of "*continuous reorganisation*" would be taken over by the O & M Office.

#### RECENT DEVELOPMENTS

The period since the end of the Rana regime has been a period of several political experiments at the level of the Government. As corollaries to the political formulas, there have also been some administrative experiments. Thus King Mahendra's Royal Proclamation of July 26, 1957, which installed Dr. K. I. Singh's Cabinet in power, visualised the creation of three high-level agencies to advise and assist the Government. These agencies, namely the *Rashtra Parishad* (State Council), *Karya Shighra Karak Samiti* (Work Expediting Committee), and the *Yojana Mandal* (Planning Council) have since then been created under specific Acts.

The *Rashtra Parishad* has been constituted under the "*Rashtra Parishad Ain, 2014*" which came into force with immediate effect on November 11, 1957, with the objective of advising His Majesty the King on such matters as may be referred to it by His Majesty. The *Parishad* may also take initiative in tendering its opinion to His Majesty on any matter which may have bearing upon the country's peace and prosperity, defence, and administration. According to the Act the *Parishad* shall be composed of a Chairman with membership up to six members. Its members shall be appointed by the Red Seal of His Majesty the King, and serve at the pleasure of His Majesty, normally for a term of five years. The Prime Minister and the Chief Justice shall serve as *ex-officio* members on the *Parishad*.

As constituted at present the *Rashtra Parishad* has His Royal Highness the Third Prince Vasundhara Vir Vikram Shah Deva as its Honorary Chairman and three members. The members of the *Parishad* have been given the status and privileges of the Ministers of the Cabinet. The *Rashtra Parishad* has a secretariat of its own, with a

civil servant as its permanent secretary who has the same status as a Secretary to His Majesty's Government.

*Karya Shighra Karak Samiti* (Work Expediting Committee) has been formed under the "*Karya Shighra Karak Samiti Ain, 1914*" with five members, one of whom serves as its Chairman. Its members are nominated by His Majesty the King, and are required to serve at his pleasure, normally for a term of three years. The members of the Committee have been given the status and salary equivalent to the Secretary to H.M.'s Government.

The *Samiti's* duties and powers as laid down in the Act, are to see that Government's decisions and sanctions are carried out appropriately and without delay, to expedite matters of public interest, to make recommendations to the Government on how to expedite the execution of Government's programmes, and to assist the various Secretariats in the Royal Palace in matters wherein the *Samiti's* opinion may be asked for. The *Samiti* has been given the authority to correspond directly with all Government offices, and it has been made obligatory upon all civil servants to render all assistance and co-operation to the *Samiti*. The *Samiti* may recommend to the Government to take necessary disciplinary action against any Government servant who may be found to be neglecting his responsibility or who may be found responsible for unnecessary delay in the disposal of his work. The *Samiti* may make its own rules of procedure which when approved by the Government shall have the effect of law. The *Samiti* is required to submit quarterly reports of its activities to H.M. the King and to the Prime Minister.

#### ADMINISTRATION OF THE FIVE YEAR PLAN

The *Yojana Mandal* or the Planning Council, with the objectives of (i) formulating development plans for raising the standard of living of the people and for making the country self-sufficient, (ii) implementing the development plans, and (iii) tendering appropriate advice to the Government on all matters relating to development, was constituted on January 3, 1958, under the "*Yojana Mandal Ain, 1914*" with H.R.H. the Second Prince Himalaya Bir Bikram Shah Deva as its Honorary Chairman, the ex-Commander-in-Chief and former Minister of State for Planning and Development, General Kiran Shum Sher, as its Vice-Chairman, and four members. The four members are all drawn from the permanent Civil Service and have been since then given the status equivalent to the Chief Secretary to His Majesty's Government. One of the members also acts as the Secretary to the *Mandal*. The members of the *Mandal* will hold office at His Majesty's pleasure normally for a

period of five years. The *Yojana Mandal* will dissolve itself after a period of five years, though His Majesty the King may dissolve it earlier also, if he deems it necessary. The major task of the *Mandal* thus appears to be the implementation of the Five Year Plan, a draft which was published in September 1956 and which was recently approved in its original form by His Majesty the King's Government. The *Mandal* has been given special powers under the Act. Thus in matters relating to the implementation of development plans the *Mandal* may exercise all punitive powers that rest with the Government over all ranks of the Civil Services. The Government may also make special arrangements for the accounting and audit of development expenditure, and amend or repeal the existing law relating to the accounting and audit of Governmental expenditure. The *Mandal* shall also have direct access to all Government offices and papers relating to development work, and shall receive from them periodic reports on the progress of development projects.

The *Yojana Mandal* has formed twenty Committees on various subjects pertaining to development, including a Committee on Administration. Each Committee has two or more members of the *Mandal*, the Secretary of the Ministry concerned, and the head or other officers of the appropriate executive Department. The Administration Committee has the Chairman, the Vice-Chairman, the member-secretary and another senior member of the *Yojana Mandal*, the Chief Secretary to His Majesty's Government, the Home Secretary, the Law Secretary, the Deputy Secretary in-charge of the O & M Office, and the Secretary of the A.R.P.C., as its members. The Committee has not restricted the scope of its deliberations to the administration of the Five Year Plan of development projects only, but very appropriately and for the reason that the administration of the total Government is inextricably tied with the administration of the Five Year Plan, has taken up the work of total administrative reform from the point where the ARPC had left it after the dissolution of Dr. K.I. Singh's Cabinet on October 15, 1957. The Committee has been doing considerable work in drawing up a fairly simple and yet co-ordinated and an effective budget accounting and audit procedure for adoption throughout the Government. The recommendations of the Administration Committee, as of all other committees of the *Yojana Mandal*, embodied in the form of reports, are submitted to the *Mandal* which, after its own deliberations, submits its decisions to His Majesty's Government for approval for implementation.

#### DEVELOPMENT BOARDS

Most of the country's administrative regulations particularly, those relating to the auditing of government accounts, inherited from

the Rana days, have been felt as a serious handicap in the way of smooth, efficient and expeditious administration, particularly in field of development work. There has also been recently a growing anxiety to keep administrative litigation as much out of the courts as possible. These motives find expression in the Development Boards Act, 2013, as amended twice in 2013 and 2014, as also in the system of Co-operative Services (Joint Funds) and Co-Directorship that was introduced in 1954 to administer Joint Nepal-U.S. Programme and Projects. Under the latter system the funds provided by the U.S. Government in the form of aid for specific programmes or projects and the counterpart funds provided by H.M.'s Government and stipulated in specific programme or project agreements were put in the form of a Joint Account in a bank to be drawn upon jointly by a Nepalese official and his American counterpart designated as Co-Directors. The two Co-Directors were given wide authority regarding the disposal of the funds in the manner they decide between themselves. The system, however, has been recently abolished by an interim agreement between H.M.'s Government and the United States Operations Mission, Nepal, whereby the former American Co-Directors will serve only as technical advisers and all the executive authority shall vest in the Departmental Head of H.M.'s Government.<sup>9</sup>

The Development Boards Act authorises H.M.'s Government to form special Development Boards to administer different development programmes and projects. Such Development Boards shall frame their own rules and regulations particularly about payments procedure and the keeping and audit of accounts, which unless specifically laid down in the Executive Order setting up a Board, will not require Government's approval for being enforced. Development Boards shall be corporate bodies and though sueable in the Court as a "legal person" shall submit their disputes to a mediator as provided in the agreement between the Board and the party, and the decision of the arbitrator shall be binding on both parties. Only in such cases where the aggrieved party feels that the arbitration has been partial and unfair, the Supreme Court may entertain an appeal, and upon satisfying himself that the arbitration has been unfair and illegal the Chief Justice shall appoint another arbitrator to mediate in disputes between a Development Board and any other party.

Thus far H.M.'s Government has constituted the following Development Boards under the Act :

- (1) Cottage, Rural and Small Scale Industries Training and Development Board,
- (2) Timber Corporation,
- (3) Tourist Development Board,

- (4) Village Development Board,
- (5) Regional Transportation Board, and
- (6) Bir Hospital Development Board.

The concept of a semi-independent corporate Development Board has been primarily developed to provide for a convenient vehicle to make better and quicker use of foreign aid received for Nepal's Development Plan. Out of the six Development Boards thus far formed, five have been provided with fixed capital out of the Government's funds and working capital is to be provided out of the Government's annual budget and foreign aid. The Tourist Development Board has not been provided with any fixed capital and it would receive its funds in the form of annual grants from the Budget and foreign aid, if any. The Boards, again, are primarily composed of officials with a Minister as the Chairman, the Director of the related Department as the member-secretary and the Secretary of the Ministry concerned as a member. This arrangement has been obviously made with a view to ensure co-ordination between the Department's regular activities and the Board's programmes. The Act provides that a Board may employ persons as it considers necessary for the due discharge of its duties, or that it may accept the loan of services of the permanent officers of a government or foreign agency. In practice, perhaps owing to the paucity of trained personnel, thus far the execution of the Board's programmes has been done through the departmental machinery. There is therefore need for a clear demarcation between the Ministry and the Board's authority over a Department, so as to avoid the awkward situation in which the Department may find itself serving two masters. The pattern of this relationship, new as it is, has yet to take form. The Development Board is a convenient machinery that is likely to be used more and more with a view to set aside or amend existing administrative procedures particularly relating to personnel and financial management in special areas of development administration, pending the wholesale reform of administration through the government machinery. Care, however, will have to be taken that recourse may not be taken to the mechanism of the Development Boards too frequently, primarily with a view to bypass the provisions of the civil service law relating to recruitment through the Public Service Commission and the severity of the existing accounting and audit procedure. Such tendency will have to be guarded against.

In a Royal Proclamation, broadcast to the Nation, on February 1, 1958, His Majesty King Mahendra Bir Bikram Shah Deva outlined a series of political measures for the country, and one of them related to the constitution of a Council of Ministers without a Prime Minister.



His Majesty himself, or a Minister nominated by him would act as its Chairman. Moreover, the Council of Ministers were to be entrusted with the specific tasks of : (i) implementing the Development Plan, (ii) rendering all necessary assistance for the implementation of the Constitution to be granted by His Majesty to the Nation, (iii) carrying on the day-to-day administration, and finally, (iv) holding the first general elections in the country scheduled to begin from the 18th February, 1959. Accordingly a Council of Ministers, consisting of six members, was formed by His Majesty the King on May 15, 1958. "The Interim Government of Nepal (Fourth Amendment) Act, 2015", promulgated on the same date, amended the original Act of 1951 (2007) to provide for a Council of Ministers with a Chairman, or in his absence, a Minister to be nominated by His Majesty, at its head. In addition to his duties as the Chairman of the Council, he has the portfolio of Finance ; and the other five Ministers have : (1) Law and Parliamentary Affairs ; Commerce and Industry; Education, Health, and Local Self-Government; (2) Home; (3) Transport and Communications; (4) Foreign Affairs and Defence; and (5) Food, Agriculture, Irrigation, and Forests.

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## COORDINATION IN BRITISH LOCAL AUTHORITIES

*Chetakar Jha*

**D**IVISION of functions among a number of committees and departments demands institutional arrangements for coordinating the work of all parts of the administrative machine. Functions of a local authority constitute a unity. Education cannot be thought of in isolation from the question of public health which in turn cannot be thought of in isolation from housing, slum clearance, inspection of food stuffs and so forth. Functions are inter-linked to an extraordinary degree. This inter-dependence is illustrated sharply by the problems faced by a local council which is improving either an old built-up area or building up a new one. A proper lay-out of streets is not only desirable for better sanitary purposes or better traffic facilities but it is also equally desirable for better police and fire-fighting services. All the committees of the council have to work in concert if the whole plan of development is to be successfully accomplished at a minimum cost to the rate-payer. All the services required by the community have to be provided before the people are moved into the new area. This demands that every department is working in a manner that there is no waste. The work of all departments must be completed more or less together. If houses are built but cannot be occupied because other services are not provided, the council would lose rents for the period. In order to avoid such a situation all committees and departments have to work constantly in co-operation with one another. Even in normal day-to-day administration, the problem of co-ordination is of paramount importance. The services provided by a council are diverse in nature, scope and extent, but they converge on a point of unity which is the total welfare of the community.

It is a well-known fact that the existence of a number of committees creates serious problems of coordination since each committee tends to develop an *esprit de corps* of its own. This sometimes results in committees acting almost completely independently of one another. Again, the departmental heads who are technical professional experts tend to think too much in terms of their own departments. This also sometimes results in excessive departmentalism which adds to the difficulties of coordination.

### II

The problem of coordination expressed in simple language is to ensure that all parts of the administrative machine work in harmony;

that the plan of one committee is not in conflict with that of another; the work of one department does not have an adverse effect on the work of another, and there is maximum of efficiency at a minimum of cost. The last consideration is responsible for what may be called "common services", e.g., finance, engineering, establishment, central purchasing. The existence of these common services creates its own problem of co-ordination. It creates administrative headaches. When one man is in charge of the full sequence of operations that culminates in the service which it is the prime purpose of the organisation to render, the line of authority and responsibility, the line of command, runs unbroken. The existence of 'common services' means that the straight line of command is broken. The Chief Education Officer, for example, is not responsible for the building of schools. Here arises a problem of coordinating the work of the 'common service' with that of the executive lines which it serves. The Chief Education Officer has to draw up the plan of development of education service in close consultation with other departmental heads, such as the Treasurer and Architect. The Chief Education Officer has to explain what is required of the common service departments and also to understand the problems and difficulties of those departments. There must be mutual understanding between them if what may be called psychological cost has to be, as far as possible, avoided.

Thus, it means that if effective coordination is to be achieved there must be arrangements, firstly, for consultation and co-operation among different committees and departments when plans are being prepared by committees; secondly, the council has adequate provision for coordinating all plans and policies into one coherent integrated whole, and thirdly, there are arrangements to ensure that all committees and departments shall work in concert to carry out approved plans expeditiously and at a minimum of cost. Now let us see what methods are used by the council in order to achieve the objectives mentioned above. Consultation and co-operation among committees at the stage of preparation of plans is secured through Standing Orders and General Instructions to committees which regulate the exercise of their duties and powers. The following examples illustrate this : the Standing Order No. 141 (d) of the London County Council asks the Town Planning Committee to report concurrently with appropriate committee concerned to the Council on all proposals relating to street improvements, insanitary areas, acquisition or provision of new parks, public gardens and open spaces and all other similar proposals affecting the re-development of London. Then common service committees such as the Finance, the Establishment and Central Purchasing Committees are asked to consult with other

committees when they are preparing plans. This is what is called the method of concurrent reports.

Here differences may arise between committees. The differences between the Finance and spending committees, between the Establishment and employing committees are not unusual. Who should mediate between them? Either it is the whole council or a particular committee, e.g., the General Purposes Committee. In the London County Council, any differences between committees are resolved by the General Purposes Committee. The Coordination Committee performs this task in Manchester. In Birmingham, the Council itself resolves differences between the Establishment and other employing committees.

Joint sub-committees are also used for purposes of coordination. In many cases, they prove extremely serviceable. They sort out issues which affect their parent committees and prepare the ground for them to take decisions on matters which involve them. It is a method of liaison and communications. Joint sub-committees are and should be regarded as tools at the disposal of committees to thrash out details of particular problems in the light of which committees have to take decisions. Such sub-committees are and should be advisory in nature.

The system of liaison membership is another method used by some councils. It rests on the principle that the work of a committee involves the work of another, and, therefore, it is desirable that they should work keeping themselves informed of what is happening in another committee. This can be secured by a deliberate policy under which each committee possesses a certain degree of common membership with a number of 'similar' function committees. This method has been used in Manchester and Birmingham.

Mr. H.R. Page has in "Co-ordination and Planning in the Local Authority" pointed out that if the grouping of committees for this purpose is not perfect it would leave gaps. He is also not satisfied with the Birmingham arrangement where there is only one member common to committees of similar functions. He thinks that one member can have little influence on the policy of a committee.<sup>1</sup> Apart from the fact that he does not state what degree of common membership he thinks desirable, his approach seems to be based on the assumption that liaison membership should be practised on a scale that the common members may be definitely in a position to influence the decisions of the committees. The value of liaison membership lies in the fact

1. H. R. Page, *Coordination and Planning in the Local Authority*, Manchester University Press, 1930, p.197.

that it enables a committee to know what is happening in other committees. It is a medium of communication only and it should be looked upon as such. To have too many members common to committees would remove the ground of having separate committees. In that case there would be no need to have a separate committee each for Education, Art Galleries and Museums. This would result in a reduction of the number of committees which may, in turn, be reflected in large membership of committees. This would be disadvantageous since a committee in order to be able to do its job properly should be a small one. If it is a large one, as Education committees generally are, it would be obliged to have a number of sub-committees and the volume of work before the committee may oblige it to delegate its own authority to its sub-committees. That is, decision will be taken one point further away from the whole council. Besides, this may add to the difficulties of coordination instead of solving them. On all these grounds, Mr. Page's emphasis on "influencing" the policy appears to be misplaced.

There is inter-locking membership in committees in almost all local authorities. In some cases this may be secured by means of Standing Orders, in others this matter would be taken into account by the Selection Committee which recommends names for appointments on committees. The latter practice is generally preferred and even in the case of Birmingham to which reference has been made earlier, the current Standing Orders are silent on this point. Introducing the system of liaison membership by means of Standing Orders would introduce a certain amount of rigidity into the committee structure. The committee structure should be kept as flexible as possible. Any rigidity may be introduced only when the desired objective cannot be achieved otherwise. An analysis of the membership of various committees of the London County Council shows how inter-locking of membership is well achieved without any compulsion by means of Standing Orders. There are two members who sit both on the Parks and Parks (Special) Committees. Similarly there is some common membership between the Children's and the Welfare Committees. It is true that inter-locking of membership in the way it has been done in the L.C.C. is a haphazard one and is not the same thing as liaison membership discussed above. Liaison membership involves a definite principle which is different from the principle which may be deduced from a general method of inter-locking membership. If the inter-locking of membership is done with a view to bringing such committees closer whose functions are more closely inter-related, it is a case of liaison membership. The general method of inter-locking is *per force* achieved since each member of the council usually sits on two or more

committees. The method of liaison membership is more definite, based on a valid principle and, therefore, to be preferred to the other method. The principle of liaison membership should be borne in mind when the Selection Committee is settling the personnel of committees.

The position of the Clerk has to be considered in this connection. He is the channel of communication between committees. He is in a position to know what is happening in other committees. He advises committees and thus helps them coordinate their plans. The departmental head must not be ignored here. He prepares the plans for the committees' consideration. He generally takes all possible care that his plan should be acceptable not only to the committee primarily concerned but all other committees who may have anything to do with that plan. It need not be emphasised that this sort of consultation between departmental heads who advise various committees is a well-known practice in central as well as local administration. Thus when the Chief Education Officer prepares a plan for school building, he consults other departmental heads such as the Treasurer, the Engineer and the Architect.

Should there be some additional institutional arrangement for the discussion of plans by departmental heads before they are presented for the committee's consideration? The Johannesburg City Council in its memorandum submitted to the Transvaal Local Government Commission of Inquiry suggested that "all major proposals should be coordinated *before* they reach the committee stage, preferably by a departmental committee under the chairmanship of the Town Clerk, dealing with matters of machinery as well as policy."<sup>2</sup> This is a sensible proposal. Such a procedure would help the committees arrive at decisions quickly. There is need for such an institution in large authorities in Britain. Should this departmental committee include all the departmental heads or only those who are concerned with the plan under consideration? The New York City Mayor's Committee on Management Survey suggests that such a Committee should include all heads of departments and their top deputies.<sup>3</sup> This suggestion seems to be a right one. It would enable the departmental committee to have the benefit of the experience and advice of all departmental heads. But if their deputies are also included, the committee would be large and may be unwieldy. The departmental committee may, therefore, be composed of only departmental heads.

2. Quoted by L.P. Green in *Public Administration*, London, Vol. XXXIII, Autumn 1955, p.339.

3. *Ibid*, p.339.

There is another question in this connection : who should decide as to what proposals should be considered by this departmental committee ? The Clerk appears to be the obvious person who should decide in consultation with the departmental heads who is responsible for the preparation of the plan. There are informal consultations and conferences between departmental heads in all authorities whether large or small in Britain. What is suggested here is the introduction of an additional institution between the committee and the department levels.

### III

What about coordinating all policies into one coherent, integrated whole ? The council is aided by the Finance, the Establishment, the Central Purchasing and the General Purposes Committees. Of these the Finance and the General Purposes Committees are most important.

The General Purposes Committee advises the council on isolated questions of policy and on questions of general administrative arrangements and practices. The Finance Committee advises the Council on apportionment of available resources between the many activities of the council. It thus helps the council to determine priorities and the scales on which different services are to be operated. It coordinates the plans of all committees into one whole from the financial point of view. The Finance Committee performs the job which is done by the Chancellor of the Exchequer in the national government.

In the national government the Cabinet reviews the budget prepared by the Treasury before it is put before the House of Commons. In local councils there is generally no institution like the Cabinet. Thus the Finance Committee, in practice, coordinates the policies of several committees. Professor K. C. Wheare observes : "In local government as in central government coordination and control can come through finance as effectively as anywhere. But it is not enough. It is a limited approach to common problems. Something more comprehensive is clearly needed."<sup>4</sup> Laski also considers that "coordination through financial control is a wholly mistaken principle unless the view be taken that there is a definite upper limit of desirable expenditure."<sup>5</sup>

Some councils have realised the need for the consideration of major plans by a third committee. In Manchester, the Central and

4. K.C. Wheare, *Government by Committee*, Oxford, Clarendon Press, 1955, p. 199. Also see Page, *op. cit.*, p. 351.

5. H. Laski, *A Century of Municipal Progress*, London, George Allen & Unwin Ltd., 1936, p. 102.

Parliamentary Committee calls for periodic forecasts of expenditure of the various departments and submits them to the Council with its observations and recommendations and the observations (if any) made by the Finance Committee. The General Purposes Committee in Birmingham City Council receives from the several committees of the Council in September every year, and at such other time as may be necessary, particulars of all building and civil engineering schemes (other than schemes for the carrying out of housing, water and sewerage works) which are estimated to cost not less than £5,000 each, and which it is desired to submit to the Ministry of Housing and Local Government for the purpose of obtaining consent to the raising of a loan for the carrying out of any such scheme in the next financial year. The General Purposes Committee considers the schemes proposed and decides the order of priority in which they should be submitted to the Ministry. It reports its recommendations to the committees concerned. This is a development in the right direction. The General Purposes Committee in Birmingham and the General and Parliamentary Committee in Manchester are trying to aid the council to examine various proposals of expenditure from the general policy angle. Of the two, Manchester arrangement is more comprehensive than the Birmingham arrangement.

Is there any committee in the council whose task is to co-ordinate all the policies into one coherent, integrated whole? In Manchester there is one, the General and Parliamentary Committee which furnishes the Council from time to time with its observations and recommendations upon questions of policy in connection with new projects of a substantial character or substantial extensions of existing services. Every other committee of the Council is advised to submit any proposal to embark upon a new policy or to extend the operation of an existing policy to the Council through the General and Parliamentary Committee. In Manchester, thus, we find a development which provides for the examination and consideration of major plans of work in relation to one another not only by the Finance Committee but also by one which may be considered a Policy Committee. It is doing the job done by the Cabinet in the national government, though the analogy cannot be pushed further.

The General Purposes Committee in the London County Council confines itself generally to matters of administrative policy such as the general arrangements for the conduct of the administrative work of the Council and its committees and departments. It examines committee structure, orders of reference to committees and Standing Orders. In addition, it has examined such broad questions as employment of married women, standard form of general conditions of



contract for works of civil engineering construction. In addition to matters which relate to administrative policies such as those mentioned above, it also discusses, sometimes, isolated questions of general policy such as the Council's policy about the patronage of the works of art. The General Purposes Committee suggests the Council to earmark annually a sum of money which would be available for the acquisition and commissioning of works of art both for schools and council houses.<sup>6</sup> This matter had originated in a question asked of the Leader of the Council if he would make a statement on the Council's policy regarding the acquisition of the works of art.<sup>7</sup> The General Purposes Committee has, at times, suggested other committees to set up a joint special committee to study and make recommendations on the best possible way of carrying out a service. In 1953 it suggested the Children's Education, Health and Welfare Committees to set up such a joint special committee to recommend the best way to secure co-ordination of their welfare work. It is responsible for promoting bills in Parliament. Thus whenever any committee desires anything which involves legislative action by the Parliament, the General Purposes Committee steps in. It discusses the proposal of the committee concerned and advises the Council as to what may be done. There are a whole lot of miscellaneous functions entrusted to this Committee. But it does not discuss the proposals of any committee which wants to embark upon a new policy or extend and expand an existing one unless it involves administrative arrangements or legislative matters or relations with any outside authority. Thus it would not sit to examine the proposal of the Education Committee either to introduce comprehensive school system or to abandon it. Such matters are considered as development of a specific function and are a responsibility of appropriate committees. It would, thus, appear that the General Purposes Committee of the London County Council does not go so far as the General and Parliamentary Committee of the Manchester City Council. This may be considered a weakness in an otherwise extremely well-organised system of the London County Council. This weakness is made up by the existence of the Policy Committee of the Labour Group on the Council which would be discussed later.

The Liverpool City Council entrusts the task of considering all questions of principle and matters connected with the various activities of the corporation in which more than one of the standing committees are or are likely to be concerned, to its Finance and General Purposes Committee. Matters of principle or policy which

6. Minutes of Proceedings of London County Council, May 1, 1956.

7. *Ibid.*, November 2, 1954.

have arisen from time to time include questions (a) where uniformity of practice is desirable, (b) where the action taken is likely to be regarded as a precedent, (c) where there is any proposed departure from an existing practice, and (d) where there are conflicting interests of two or more committees. The following matters which have been considered by the Finance and General Purposes Committee in the past illustrate the sort of questions considered by the committees :

- (1) The extension of the practice of carrying out works required by the Corporation by direct labour instead of utilising the services of private contractors.
- (2) The establishment of a central purchasing organisation.
- (3) The letting of public halls controlled by the Corporation on Sundays for political purposes.
- (4) The enforcement of conditions in Corporation contracts relating to the employment of Liverpool residents only by contractors engaged on works within the City boundary.

The above-mentioned matters illustrate that the Finance and General Purposes Committee discusses what may be called administrative policies.

The general situation, however, is unsatisfactory in the sense that all councils do not have a committee to examine all matters of major importance as there is one in Manchester. In the absence of such a committee it is left for the council itself to perform the task of coordinating all its policies. This deficiency is made up by the existence of well-organised political parties. The two major political parties of the country control a great majority of local councils between themselves. Every local political group fights elections on the basis of well-defined programme. There are broad declarations of what a party would implement if returned in majority. Every political group has a small group of members who decide as to what stand the group should take on individual matters. The Labour group has a Policy Committee which examines all matters of policy in the first instance. They are then discussed and ratified by the whole group. The Policy Committee is generally composed of the leader and deputy leader of the whole group, chief whip, two junior whips, group secretary and three other members of the group. In the London County Council, the Labour Policy Committee consists of the leader of the Group, the Chairmen of Committees together with the Chief Whip and four junior whips—all elected by the whole Labour group. This Policy Committee performs the task of coordinating the policies of the Council.

The leader of the majority party is officially recognised as the Leader of the Council in the London County Council and the Liverpool City Council. He has the special responsibility of coordinating the policies of the Council as a whole. In order to keep himself free to devote his time and energies to the work of coordination he is not the Chairman of any committee in the London County Council. "His real work", says Professor W.A. Robson, "within the Council is to organise, to coordinate, to give unity and stimulus to the majority party. He has to keep a watchful outlook for matters of policy which are likely to give trouble or put the Council or the dominant party in a difficult corner; and above all he must keep his hands on the big questions of principle with which the Council has to deal, or ought to deal."<sup>8</sup> Every Labour group has a leader who may not be officially recognised in the Council's Standing Orders and his duties are similar to those of the Leader of the London County Council.

#### IV

Now we come to what may be called the executive stage. There is the need to ensure that all committees and departments shall work in concert in the carrying out of approved plans. Here we come across another weakness in the system. There is no committee whose job it is to see that all approved plans are being carried out with reasonable speed. It is the job of each committee to see that its plans are implemented. There is in some places provision for resolution of differences between committees. The General Purposes Committee in the London County Council, for example, does this job. The Council itself performs this job of supervising the work of its several committees. Each committee submits periodical reports—in some cases every six months, in others once every year. This is not quite satisfactory. It is a long period. If anything has gone wrong it would be discovered after months when it may be too late to catch up with the schedule. A three-monthly report on the progress of work, therefore, may be insisted. This report may be a brief one telling the council whether the work is going ahead according to schedule or not. The report should give reasons if the work is not going ahead according to schedule. The half-yearly or the annual report should be a fuller one. This alone appears to be feasible because giving power to one particular committee to supervise the work of other committees would be resented by committees.

In connection with the question of supervision, the role of the Clerk may be considered. Should he be given authority to watch the

8. William A. Robson, *The Government and Misgovernment of London*, London, George Allen & Unwin, 1948, pp. 346-347.

progress of work being carried out by various departments? At present every departmental head reports progress to the committee concerned. The Clerk through whom every report passes knows what is going on and how it is going on. In some cases the work may be held up because some committee, the Central Purchasing Committee, for example, has not disposed of the matter. Here all that the Clerk can do is to impress upon the Committee Chairman the need to dispose of the matter quickly. But what should be done when the work is suffering on account of laziness or incompetence of a departmental head? At present the Clerk's help is sought by the departmental heads in such cases. The Clerk exercises what may be called persuasive influence. In Indian local bodies, the Chief Executive Officer has authority to intervene in the departmental working and order the departmental heads as he thinks proper. In British local councils, the Clerk does not have such authority. Mr. Keith-Lucas in his lecture to the Nalگو Summer Conference in Oxford in 1955 said, "I am doubtful whether anything of that sort is really necessary. I believe that as things are today, by virtue of his position as Town Clerk, he has an influence over his colleagues which would not really be enhanced by giving him official power to interfere. If you come to that state of conflict between the Town Clerk and one of his colleagues, that the Town Clerk has got to walk into the other man's department and interfere with the administration, one of them had better resign pretty quickly". This is the attitude of one who has himself been a local government official and is now a Councillor. But the need has been realised for strengthening the position of the Clerk in regard to general administrative arrangements of the council. The Policy Advisory Committee of the Coventry City Council, following the advice of the H.M. Treasury O & M team which investigated the organisation of the Council, advised the Council to formally allocate to the Town Clerk, as the Chief Administrative Officer, the following responsibilities :

- (1) To take a continuing interest in the effectiveness and economy of all administrative arrangements throughout the Corporation;
- (2) To ensure that administrative activities with which two or more Departments are concerned are effectively coordinated;
- (3) To furnish an O & M service for all Departments;
- (4) To maintain a broad view of the balance and effectiveness of arrangements made to carry out the policy laid down by the Council and to bring to the notice of Departments (and if necessary Committees) the need for any change;

and that for the performance of these duties the Town Clerk be responsible to the Establishment and General Administration Committee.<sup>9</sup>

This shows growing realisation of the need to make the Clerk responsible for general administrative efficiency of the whole machine. The Clerk is gradually acquiring formal power to keep a watching eye on the working of the entire machine.

## V

This brings us to the question of general organisation which is of utmost importance. Many councils have come to realise the need for entrusting the duty in regard to over-all administrative arrangements to one particular committee. In the London County Council and the Birmingham City Council it is the General Purposes Committee. Manchester has a committee called the Coordination Committee for this purpose. This development of entrusting the work in regard to broad administrative arrangements has enabled the Council to see that all parts of the machine are brought into proper relationship with one another and are coordinated and working to a common end. The need for a good committee lay-out, a good departmental lay-out and a continuous watch on the administrative organisation can never be over-emphasised. A good committee structure reduces the scope of overlapping to the minimum; so does a good departmental lay-out. That solves the problem of coordination to a great extent.

Thus we find that a number of devices are used to secure effective coordination in administration. The biggest councils have and are giving much attention to the problem of coordination. Devices used for this purpose may be grouped into three classes. One group includes Standing Orders and Instructions to Committees. Much is achieved by carefully-framed Standing Orders. They, in some places, nominate certain chairmen as *ex officio* members of certain committees. They prescribe common procedures for the purchase of civic lands, and for the breaking open of highways. The Instructions to committees have a similar effect, e.g., they may limit the sums that committees may spend without prior approval of the Finance Committee, or detail the matters where certain other specified committees must be consulted. The effectiveness of Standing Orders is, however, a function of the effectiveness of the Clerk's department. The second group of devices depends on the duties allocated to what are called 'Common Service'

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9. *Public Administration*, London, Vol. XXXII, Spring 1954, p. 94.

committees such as the Finance, the Establishment, the Central Purchasing and the General Purposes Committees. The third group includes such devices as liaison membership and joint sub-committees.

All these devices are complementary to one another and they are all used by local councils. The degree of the use of each device varies, as is natural, from council to council. The determination of the degree of the use of each device is generally a responsibility of the committee which is entrusted with the task of looking after the over-all administrative arrangements of the council. This committee is guided by its experience and local problems. The Clerk is its principal adviser.



## CORRESPONDENCE

### I

#### Role of Advisory Bodies in Government

*The Editor,  
I.J.P.A.*

Sir,

*Shri R.C. Dutt*, in his illuminating article on "Hearing and Consultation Procedure in Public Administration" published in the last issue of the *Journal* (Vol. IV, No. 3, for July-September 1958) has rightly pin-pointed the importance of the consultative bodies in the formulation and implementation of Government policies and programmes, in particular those relating to planning and development. But he does not tell us what the Government of India are doing to plan and control the growth, development and proliferation of the advisory councils and committees and to enhance their effectiveness. These consultative bodies are multiplying rapidly, like rabbits, as once Mr. Churchill put it in relation to his country. No week passes without our hearing of the establishment of this or that advisory council or committee. Their role is also becoming increasingly important in the context of the changed character, scope and content of governmental activity.

*Shri Dutt* classifies the objects of the advisory bodies into two categories: (a) obtaining expert advice; (b) eliciting representative opinion of interested parties and association and participation of the people in the administrative process. He is further quick to point out that "a great majority of the consultative bodies are, however, neither purely expert committees, nor purely representative. They consist of both these elements the object being to provide

a balance between the specialised requirements of modern administrations and the representative character of democratic Government."

One is naturally tempted to ask: (1) "Do the Central Government Departments have, before them, when they decide to set up a new consultative body, full and comprehensive information regarding the number, functions, size and composition and rules of procedure of all advisory councils and committees already existing in the Government?"; (2) "Has the Government worked out for their own guidance any criteria, based on an appraisal of the past experience and results, to determine the extent to which the elements of expertise and representation should be combined together in a certain advisory committee or council to be set up?"; (3) "Has the Government evolved any model standards and rules about the size, business procedures, etc., to ensure and improve the effectiveness of consultative bodies?" So far the present writer is aware, the answer to all these three questions is in the negative. In the absence of the above-mentioned information, criteria and standards, is it not likely that the functions of some of the advisory bodies overlap and that the advisory councils and committees at times tend to 'window-dress,' 'delay' and 'nullify' certain policies and programmes of a government department? A study in 1955 of the similar institutions in Great Britain revealed that "The tendencies to delay, to postpone, to avoid, and to compromise are apparent in almost all the types of committee.....Responsibility is difficult to discern in a many-headed

institution; too easily a committee becomes a screen or a shield."<sup>1</sup> The situation in India can obviously be not much different, especially in the light of the recent tendency of government departments to proliferate heavily. The use of advisory committees here in a way tends to strengthen the hands of officials to disregard public opinion. Through them officials have the opportunity to 'nobble' their expert and influential potential critics.

I would therefore venture to suggest the appointment by the Government of India of a committee to inquire into the objectives, functions and composition, etc., of the great maze of the advisory bodies which we have come to have today with a view to their rationalization and the formulation of model standards and guide-lines for future. As the advisory bodies draw considerably upon the non-official sector, it would be advisable to include in the committee of inquiry a few non-official representatives of the people. The need for such a committee hardly requires further elaboration, considering the educative and participational role of these institutions in stabilizing and deepening the foundations of a democratic form of government in a Welfare State which India is today. The advisory bodies today "fulfil the general purpose of keeping official practice in close touch with public opinion and preventing the evolution of a departmental world which is out of relation to the facts of real life. They help the official to understand the feelings (not excluding the prejudices) of the public, and the public to appreciate the restrictions (not all of them self-imposed) to which the official is subject."<sup>2</sup>

A good deal of the preparatory

study in the matter can be usefully undertaken by the Central O & M Division; this should obviously help the committee of enquiry, if and when set up, to finish its task with speed and effectiveness.

Yours faithfully,  
New Delhi, H.C. Mathur  
November 25, 1958.

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Shri R.C. Dutt has, in his reply to the Editor, pointed out that the object of his article was mainly to bring out the position which consultative bodies hold in modern administrations and to emphasise the reasons for their importance. The greater part of the article dealt with the subject in a general way; the Indian experience was drawn upon by way of illustration only. The only conclusion arrived at was that the consultative bodies in India had helped to keep the administration attuned to public opinion; and, in the general sense in which it was meant, this conclusion is justified. Shri Dutt thinks that Shri Mathur's letter is, in essence, an extension of the same line of thought.

Shri Dutt further points out that the decision whether or not to set up an advisory council with regard to a particular function of Government is taken more on the basis of the nature of the functions and the need for advice, expert or otherwise, than on a general appraisal of the experience with regard to other advisory bodies. Model rules are hardly suitable where requirements vary with individual cases. Without underestimating the need for a general appraisal, Shri Dutt suggests that this could be undertaken as a subject of study by the I.I.P.A. itself rather than by a committee of the nature suggested by Shri Mathur.

1. K.C. Wheare, *Government by Committee—An Essay on the British Constitution*, London, Oxford University Press 1955, p. 253.

2. *Advisory Bodies—A Study of their uses in Relation to Central Government, 1919-1939*, Ed. R.V. Vernon & N. Manserg, London, George Allen and Unwin, 1940, pp. 436-437.



## II

## The Problem of Administrative Tribunals

The Editor,  
I.J.P.A.

Sir,

I have carefully read the article "The Problem of Administrative Tribunals" by *Shri N.K. Bhojwani* published in the Indian Journal of Public Administration for April-June 1958. There are certain observations made by the author in the article which need clarification.

There is no doubt that administrative tribunals have been constituted to promote good administration. The ordinary courts are unfitted to deal with cases involving specialised knowledge. Moreover, the courts burdened with ordinary rules of evidence cannot act quickly. Administrative tribunals in a Welfare State have become a permanent part of our constitutional system. The author of the article recommends the curtailment of the writ powers of the High Courts and the Supreme Court in order to free the administrative tribunals from judicial control (p. 182, Vol. III, No. 3). This is being proposed in the interest of speed and good administration. It is not easy to concur with this view. Administrative tribunals are not to be regarded as mere appendages of Government Departments. Citizens should enjoy a general right of appeal to High Courts and the Supreme Court against decisions of tribunals on jurisdictional facts or on questions of law by *certiorari* or prohibition. That is to say proceedings of administrative tribunals should be liable to be reviewed and their decisions quashed by the Court if it can be shown that the members of the tribunal did not hear the case with an open mind or had prejudged the issue; or that they had exercised their powers to promote unauthorised

purposes; or had been influenced by improper motives of extraneous considerations. This was also the finding of the Committee on Administrative Tribunals and Enquiries, U.K., 1957.

The author of the article again has not made himself clear in explaining the extent of judicial control in England and U.S.A. This needs further elucidation. It will be wrong to suppose that judicial review in England is totally barred in the absence of statutory provisions. It is effected, in the words of Atkin L.J., in *R.V. Electricity Commissioners* (1924) I.K.B. 17, through the prerogative writs. Of course, the extent of judicial control in U.S.A. is greater as compared to that exercised in England. In England, as Sir Cecil Carr has pointed out, 'The administrative tribunal would find the facts and the courts would not interfere unless the evidence or the perversity of the finding required them to intervene' [Concerning English Administrative Law (1941), p.108]. Similar observation was made by the Committee on Ministers' Powers: 'while we are of opinion that there should be an absolute and universal right of appeal to the High Court on any point of law from the judicial decision of a Minister or a Ministerial Tribunal, we are satisfied that there should as a rule be no appeal to any Court of Law on issues of fact' (Report, p. 108). 'Law' and 'fact', are, however, not mutually exclusive categories that stand wholly apart. The judicial review in America involves review of facts as well to a limited extent, i.e., the Court is not concerned with weight of the evidence; it has to ascertain whether there is sufficient evidence to support the administrative finding. In England an

administrative finding without any evidence will be held *ultra vires* by the Courts and so the rule of finality for administrative fact findings is subject to the 'no-evidence rule', which is somewhat akin to 'substantial rule' in U.S.A. The basis of judicial review of jurisdictional facts both in U.K. and U.S.A. is to prevent the arbitrary exercise of power by the Executive. In the words of the Supreme Court of U.S.A., in *St. Joseph Stock Yards Co. V. United States* [298 U.S. 38, 52 (1936)], "To say that their (tribunals') findings of fact may be made conclusive where constitutional rights of liberty and property are involved, is to place those rights at the mercy of administrative officers and seriously to impair the security inherent in our judicial safeguards. That prospect, with our multiplication of administrative agencies, is not one to be lightly regarded."

Of course, the courts in U.K. cannot challenge the law of the Parliament which is supreme, while courts in U.S.A. can challenge not only the statute but also the administrative decision.

I am,

Yours faithfully,

Delhi, *Ramesh Narain Mathur*  
September 24, 1958.

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Sir,

*Dr. R. N. Mathur* has sought clarification on certain points made by me in my essay on "The Problem of Administrative Tribunals".

The first relates to the writ powers of the High Courts and the Supreme Court. He has understood me to have recommended a curtailment of these powers in order to free Administrative Tribunals from judicial control. This is obviously a misunderstanding because I have stated

on the contrary that "it would be premature at this stage to amend the Constitution" (p. 182) and that "an amendment of the Constitution to curtail the powers of the High Courts or the Supreme Court or both in regard to administrative authorities and Tribunals would be justified only if experience of the working of adequately constituted Tribunals compels it." (p. 181). *Dr. Mathur* and I thus seem to share the same views.

The second clarification sought by *Dr. Mathur* is in regard to the extent of judicial control in England and the U.S.A. The article made a reference to this point rather casually because neither its purpose nor my competence permitted a full discussion of it. I have treated the problem of Administrative Tribunals as one of public administration rather than as one of law and it would have taken me beyond the scope of the paper to include in it a discussion of the extent of judicial control over administrative action in other countries even if I had been qualified to do so. I am, however, grateful to *Dr. Mathur* for making some very useful observations on this subject.

Yours faithfully,

New Delhi, *N. K. Bhajwani*,  
December 30, 1958.

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#### *Note by the Editor*

The following extracts from the Committee on Administrative Tribunals and Enquiries, H.M.S.O., 1957, will be of interest :—

"An appeal to the courts on matters of fact would not, we think, be desirable since it would constitute an appeal from a body expert in the particular subject to a relatively inexperienced body. In the absence of special considerations we consider

that the ideal appeal structure for tribunals should take the form of a general appeal from a tribunal of first instance to a second or appellate tribunal. By a general appeal we mean an appeal on fact, law or merits." (para 105, *Report*).

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"We are firmly of the opinion that all decisions of tribunals should be subject to review by the courts on points of law. This review could be obtained either by proceedings for *certiorari* or by appeal. If, as we recommend, tribunals are compelled to give full reasons for their decisions any error of law in such a decision would subject the decision to quashing by order of *certiorari* in England, and it is now clear that the fact that the decision of the tribunal may be expressed in the statute as "final" does not oust this jurisdiction.....an application to quash a decision on this ground is quite different from an appeal on a point of law. In the former case the court can only quash the decision, while in the latter case the court may substitute, or in effect substitute, its own decision. Again, in the former case, the court must find the error, if it can, on the face of the record; it cannot look at anything else. In the latter case the court can in addition look at the notes of the evidence

given before the tribunal if the point of law is whether there was evidence on which the tribunal could in law have arrived at its decision. An appeal on a point of law is therefore wider in scope. For all these reasons we recommend that review by the courts of decisions of tribunals should in general be provided by making the decisions subject to appeal on points of law." (para 107, *Report*).....

"Whatever may be decided as to the scope and method of appeals to the courts from tribunals we are convinced that the remedies by way of orders of *certiorari*, prohibition and *mandamus* should continue. They are clearly necessary in cases where questions of jurisdiction are involved and in cases where no provision is made for appeals on points of law."

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The point of disagreement between *Dr. Mathur* and *Shri Bhojwani* is not one of practical or immediate importance; their only difference is that while *Dr. Mathur* is, in effect, opposed as a matter of principle to the extinction of the powers of judicial review under any circumstances, *Shri Bhojwani* would leave the issue open until administrative remedies are provided and tried for some years.

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## RECENT TRENDS IN PUBLIC ADMINISTRATION IN INDIA

An important recent development in the field of recruitment was the Central Government's decision to constitute a pool, with an initial strength of 100, for temporary placement of well-qualified Indian scientists and technologists returning from abroad, until they are absorbed in suitable posts on a more or less permanent basis. Persons with Indian qualifications and outstanding academic record may also be considered for appointments which would not ordinarily exceed 25 per cent of the total number. The 'Pool' personnel will be attached or seconded to a Government department or a State industrial enterprise or other organisations including private industrial establishments. The controlling authority of the Pool will be the Council of Scientific and Industrial Research; it will be advised by an 18-man committee. Selection will be made by a special recruitment board consisting of the Chairman or a Member of the Union Public Service Commission, one representative each of the Ministry of Home Affairs and the Council of Scientific and Industrial Research, and three scientists and technical men to be nominated each year in consultation with the Union Public Service Commission.

The recently issued Union Public Service Commission (Exemption from Consultation) Regulations, 1958, provide that, in the case of temporary or officiating appointments which are not likely to last for more than a year and which must be made in the public interest immediately and the reference to the Commission will cause undue delay, (1) "if the appointment continues

beyond a period of six months, a fresh estimate as to the period for which the person appointed is likely to hold the post shall be made and reported to the Commission" and (2) "if such estimate indicates that the person appointed is likely to hold the post for a period of more than one year from the date of appointment, the Commission shall immediately be consulted in regard to the filling of the post." The new Regulations also extend the exemption from consulting the Union Public Service Commission to inter-Service transfers of officers holding quasi-permanent appointments; the new Regulations, however, make the exemption, as a whole subject to the proviso "save as otherwise expressly provided in the rules governing recruitment to the civil service or the civil post concerned."

In *Punjab*, the Government has decided that the State Public Service Commission will hold combined examinations for recruitment to similar posts and services in the State. Ten groups, covering 40 categories of posts, have been formed for purposes of such combined recruitment. A separate examination will be held for each of the 10 groups. Candidates, who happen to secure high places in the merit list of a group, for instance, that of the Punjab Civil Service (Executive Branch), 'A' Class Tahsildarship, etc., but are not taken into the Punjab Civil Service because of limited vacancies in that service, might henceforth be offered 'A' Class Tahsildarship or other posts placed in succession in the group.

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Further progress has been made in regard to the establishment of the proposed National Academy of Administration. It has been decided to prescribe a concentrated course of four months' common training in basic non-professional subjects for fresh entrants to the All-India Services and the Central Services, Class I, viz., the Indian Foreign Service, Indian Audit and Accounts Service, Indian Customs and Excise Service, Indian Income Tax Service, Indian Defence Accounts Service, Transportation (Traffic) and Commercial Departments of the Superior Revenue Establishment of Indian Railways and the Indian Railway Accounts Service and the Indian Postal Service. The course will be conducted at an institution to be named 'The National Academy of Administration' to be located at Mussoorie. The syllabus for the course will include : (1) The evolution of the modern Indian State as a democratic, secular and welfare State; Survey of main currents of Indian History; political, economic and social; Interplay of world forces—Asian and European. (2) The Constitution of India—its evolution, basic principles and main provisions; Parliamentary democracy—its postulates and implications; Central and State Governments—their relationship. (3) Public Administration—principles, organisation and procedures; Machinery of Government—Central Ministries and Departments, Local Self-Government, public corporations and other semi-autonomous bodies ; Public services—ideals, attitudes and code of conduct. (4) Indian Economy—policy development and administration; Public Finance—policy, budgeting, fiscal legislation and administration; Public enterprises. (5) State and the Social Services—Sarovodaya—Gandhian philosophy, Welfare State; Socialism; Social services, social security and social welfare, industrial relations and trade unions. (6) Science and tech-

nology—impact on economy, administration and social institutions in general, with particular reference to Indian conditions. (7) General subjects like Linguistics (the science of languages) along with the common features of various languages prevalent in India, statistics, population trends according to census reports, Indian culture and recent history of progress in science, arts and literature.

The Union Ministry of Labour and Employment has started a pilot project in the training of secretariat staff in supervisory techniques based on Training Within Industry principles—'job instruction' to train the supervisor in regard to instructing the subordinates about work; 'job methods' to enable the supervisor to analyse and improve the existing methods and procedures of work; and 'job relations' to develop in the supervisory personnel correct attitudes for proper handling of the human element in administration. These three programmes of Training Within Industry have been adapted to the particular needs of central government offices. By December 15, 1958, 83 supervisors—first and second level supervisors from below, viz., section officers, assistant directors, etc.—had participated in the 'Job Instruction' programme, 78 in the 'Methods' and 81 in the 'Relations.' The experiment in supervisory training for office personnel promises good results by way of higher efficiency. The training is being imparted by *Shri A.P. Veera Raghavan*, Under Secretary, who has been specially instructed for the purpose. The Ministry of Labour and Employment has also been running a Training-Within-Industry Centre at Bombay since 1954. Training Within Industry has been introduced in about 200 firms covering a wide range of industries both in the public and private sectors, such as textiles, iron and steel, electricity, glass, cement,

rubber, chemicals, heavy and light engineering, defence undertakings, railways, posts and telegraphs, etc. About 40,000 industrial supervisors have been trained in all the three Training-Within-Industry programmes.

The National Development Council at its recent meeting urged the State Governments to organise training programmes for village leaders who work with village panchayats and co-operatives and for young men in rural areas who could serve as secretaries of village institutions. The Co-ordination Committee, consisting of the Union Ministers of Food and Agriculture and Community Development, has decided that senior officers of Agriculture Departments in the States, particularly the Directors of Agriculture, should actively participate in the training programme of *Gram Sahayaks*. The second orientation course, at the Central Institute for Study and Research in Community Development (October 2-November 2), was attended by four non-officials—the Parliamentary Secretary, Union Ministry of Community Development, and three M.L.A.s from Kerala, Mysore and Andhra Pradesh—and 28 officials drawn from States and Union territories. Its syllabus included philosophy, concepts and objectives of community development; evolution of a socialist programme and of democracy; problems of under-development in Indian rural communities; techniques of community development, including methods and processes; public administration and the transformation of the law and police State into a welfare State; and certain selected facets of the programme, such as agriculture and allied subjects, co-operation, village industries, public health and sanitation. The Central Council of Local Self-Government, at its fourth meeting held at New Delhi from October

27 to 29, recommended *inter alia* the establishment of an institute for training officers holding supervisory posts in local bodies.

Bombay has set up a 15-member State Council for Training in Vocational Trades to advise the State Government in carrying out the training policies laid down by the National Council and to coordinate the vocational training programmes throughout the State. The Government of Madras has appointed a four-member committee to suggest ways and means to improve the content and quality of training given by the institutions set up in the State under the community development programme.

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The Central O & M Division is at present engaged in carrying out a general review of its work during the last four years under its new Director, *Shri K. P. Mathrani, I.C.S.* Work in the Union Home Ministry has been reorganised to avoid duplication. Sections in the Home Ministry will, in future, be under the charge of either a Deputy Secretary or an Under Secretary and not of both as at present; and files from any one section will therefore not have to go to both the Under Secretary and the Deputy Secretary. An interesting experiment in expediting disposal of work is under way in the Ministry of External Affairs. Initial noting on the files is made either by the Under Secretaries or by the Deputy Secretaries (and not by Assistants) who send the files direct to the Joint Secretaries or the Secretaries.

In *Madhya Pradesh*, the Government has set up a five-member committee for the evaluation of the progress of the national extension service and community development programme in the State. Further, an

Organization and Methods Branch has been set up in the General Administration Department of the State Secretariat. Its functions include advice on departmental structures, staffing and training arrangements and improvement of procedures. The O & M Branch is headed by *Shri K. Radhakrishnan, I.C.S.*, Additional Chief Secretary, who has also been entrusted with the work of investigating the causes of the increase in non-development expenditure and of suggesting means of securing economy consistent with administrative efficiency. The *Bombay State Transport* has decided to apply work study techniques to rationalise its methods and procedures of work.

Among the important committees, commissions or boards which have recently been set up or in the process of formation are an informal Technical Advisory and an informal Research Programme Committee for the Central Company Law Department; a central co-ordinating committee on employment studies; a Central Copyright Board under the Copyright Act, 1957; an Intermediate Ports Development Committee for selection of intermediate ports for intensive development in order of priority; a Central Cotton Textiles Consultative Board; a committee on the unification of laws in Kerala; and a standing advisory committee for large-scale industries in *Andhra Pradesh*.

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The Government of India has ratified the Convention, adopted by the International Labour Office in June 1951, on equal remuneration for men and women workers for work of equal value. The ratification of the Convention by India has been facilitated by the observation, made in March 1956 by the I.L.O. Committee of Experts on the Application of Conventions and Recom-

mendations, that ratifying Government must ensure the application of the principle only in so far as it had control over the methods for determining rates of remunerations as in the case of public services and occupations and industries in respect of which the Government is required to fix wages.

Recently, fresh orders issued by the Central Government emphasise that no officer will be retained or re-employed in service beyond the date of compulsory retirement except when it is clearly in the public interest and where it is evident that other officers in service are either not ripe enough to take up the appointment or that the retiring officer is of such outstanding merit that Government consider it desirable to retain him in service further. Extension or re-employment may be granted up to two years at a time beyond the age of superannuation, and may be further extended by not more than a year, save in exceptional circumstances. In *West Bengal*, the cadres and pay scales of class IV health personnel have been rationalised; a *unified cadre* with certain broad heads, has been created to ensure greater mobility of staff as between different types of posts. In *Bombay*, the pay scales for the technical personnel employed in government engineering colleges and polytechnics have been substantially increased with a view to attracting the right type of qualified personnel to the teaching posts requiring technical qualifications. The *Uttar Pradesh* Government has decided that a Government official, who acts as Chairman of the Board of Directors, or as *ex officio* Director, or an autonomous industrial or commercial undertaking or corporation or statutory body in which Government funds have been invested, will no longer be allowed to receive any fees or other remuneration from these bodies.

## INSTITUTE NEWS

The President of India visited the *Institute* on November 28.

The first session of the Master's Diploma Course in Public Administration at the *Institute's* School of Public Administration commenced on November 3 with seven students in the First Year course, and 23 in the Second Year. There is provision for admitting up to 50 students to each course from the next session. Of the 23 admitted to the Second Year course, six are on deputation from State Governments.

A Seminar on "Improving City Government" was convened by the *Institute* at Bangalore on September 13-14; it was attended by 25 representatives drawn from the Central Government, State Governments, Municipal Corporations and Committees, Universities, etc.

The Trivandrum Local Branch of the *Institute* organised a symposium on the recommendations of the Kerala Administrative Reforms Committee on September 30 under the presidentship of *Dr. John Mathai*, Vice-Chancellor, Kerala University.

Lectures delivered at the *Institute* during recent months were as follows:

Aug. 30 : *Prof. Lynton K. Caldwell*, on "New Developments in Training for Public Administration"

(Chairman : *Shri Vishnu Sahay*, I.C.S., Cabinet Secretary).

Sept. 10 : *Prof. Quincy Wright*, formerly of the Chicago University and now Visiting Professor at the Indian School of International Studies, on "Administrative Problems of International Law."

(Chairman : *Shri S. Lall*, I.C.S. (retd.), Chairman, Air Transport Council, Ministry of Transport & Communications).

Dec. 3 : A series of three lectures by *Shri A.K. Chanda*, Comptroller & Auditor-General, on "The Function of Audit in a Democracy"

(Chairman : *Shri V.T. Krishnamachari*, Deputy Chairman, Planning Commission).

Dec. 4 : on "The Question of the Separation of Audit and Accounts."

(Chairman : *Shri Morarji R. Desai*, Union Minister of Finance).

Dec. 5 : on "The Accountability of Public Enterprises".

(Chairman : *Shri T.N. Singh*, Member, Planning Commission and formerly, Chairman, Public Accounts Committee of Parliament).

A descriptive study, prepared by the *Institute*, entitled "The Organisation of the Government of India," has been published by Asia Publishing House, Bombay. It is priced Rs. 20. It is the first publication of its kind giving an informative picture of the overall organisation of the Government of India—its various Ministries and Departments, their field agencies and offices, the special administrative agencies mentioned in the Constitution, the Cabinet Secretariat and Planning Commission. There are also 30 large charts illustrating the organisation of the various Ministries and Departments.



## DIGEST OF REPORTS

*ESTIMATES COMMITTEE, 1958-59, 26th Report (Ministry of Defence—Organisation of the Ministry of Defence and Services Headquarters). New Delhi, Lok Sabha Secretariat, 1958, v, p.48, 0.75 n.p.*

The important conclusions and recommendations of the Committee are as under :

### *I. Organisation and Procedures*

1. The present system does not make for economy or efficiency in administration and requires some modification. Careful consideration should be given to the question of having an integrated machinery for arriving at overall policy decisions affecting all the three Services and care should be taken that the Services do not function in separate compartments. The experience of the working of corresponding organisations in the U.K., United States, and other advanced countries should be carefully examined. It might be desirable to explore to what extent an organisation based on the Councils system as obtaining in the U.K. might be more suitable. In the U.K. there is a Ministry of Defence, under a Cabinet Minister, for coordinating the policy and requirements of the three armed Services and for administering certain inter-service organisations. There are three Ministers for the three Services presiding over the Board of Admiralty, Army Council and Air Council. The Board and the Councils consist of the Chief of the Staff of the respective Services, the Vice-Chiefs, the Principal Staff Officers, the Parliamentary Under Secretary and the Permanent Secretary, who is also the Accounting Officer for the votes of the respective Services. While the Councils and the Board carry on higher administrative business, there are the War Office, the Admiralty and the Air

Ministry, for the normal administrative control of Army, Navy and Air Force. There is not sufficient data available to determine whether the Defence Minister's inter-Services Committee and the Defence Minister's Army, Navy and Air Force Committees, in fact, perform similar functions in India. In the light of the statement made by the Prime Minister in March 1955 about the intention of Government "gradually to develop these Councils for each of these Services," the matter should be brought before Parliament early so that a decision on the establishment of the Councils, their composition and powers is taken and the present system which is based purely on executive decisions receives parliamentary consideration at an early date.

2. Considering the volume of receipts it may reasonably be inferred that a considerable portion of it is likely to be of the variety of simple and routine references, particularly from the Services Headquarters. There seems to be some imbalance in the distribution of responsibilities between the Ministry and the Services Headquarters and also a lack of sufficient delegation of authority and powers to the Services Headquarters which are presided over by officers of the status of the Chiefs of Staff. An analysis of the receipts in the Ministry should be made by the O & M Organisation of the Government of India.

3. A proposal made by the Services Headquarters to the Defence Ministry for approval has to go through a number of stages which generate considerable subsidiary correspondence in obtaining or furnishing clarifications before the proposal is finally agreed to. There is considerable duplicate effort in the work of the Services Headquarters. The present system does not also ensure that proposals emanating from a certain level in the Services Headquarters are not examined by officials of lower rank in the Ministry. Nor have the officers dealing with various matters in the Ministry have the necessary expertise, nor the experience in the Services organisation, the problems relating to which they are expected to appreciate and criticise. The powers delegated to the Services Headquarters and to the officers and formations subordinate to it require an early review and possible enhancement consistent with their responsibilities. The procedures should be so devised that a proposal is examined comprehensively and jointly by all concerned.

4. The large number of references about pensions at present dealt with in the Ministry should be decentralised to the extent possible. The forms, the procedure and rules relating to pension should be reviewed with a view to their simplification. The feasibility of framing suitable proforma and standard forms and ensuring that all relevant data are incorporated concurrently in the records should be examined in order to obviate delays in the examination of claims. Where information is incomplete, there should be a method of dealing with cases expeditiously instead of waiting indefinitely for information that is not forthcoming. Wherever possible, eminent civilians and non-officials in public life might be asked to help in the gather-

ing and assessment of facts, instead of relying solely on official channels.

5. The "Pilot Section" scheme, which was adopted in October 1956 on the recommendations of the Central O & M Division, is costly; special steps should be taken immediately to find out if the scheme is working in the intended manner and to assess its results in terms of efficiency and economy. The danger inherent in such schemes, of persons getting paid at higher rates for turning out the same quality of work as was being done by them before, or by other persons in a lower grade, should be guarded against and timely corrective action taken.

## *II. Services and Other Staff Matters*

1. In view of the experience gained since 1947, the justification for a separate organisation for the selection and recruitment of officers and other ranks for the Air Force alone should be re-examined, especially when a joint Selection Board is working satisfactorily and efficiently for the Army and the Navy. The feasibility of adopting the principles outlined in the recommendations of Hoover Commission on the 'Business Organisation of the Department of Defence in the U.S.A.' should be considered with regard to appointments, in the Headquarters, dealing with commercial type of support-activities. Similar principles should be applied to other activities like transport, supplies, store-keeping etc., even in the lower echelons. Civilians entrusted with such duties should also be trained adequately in business management.

2. There is scope for integration of several activities, which are common to the three Services, e.g., Transport, Education, Medical Services, Repair Services, etc. Inter-service organisations should have a very

large practical content of inter-service integration so as to eliminate duplication of effort. A committee should be appointed to examine this matter carefully and make concrete proposals.

3. It is difficult to understand the reasons for the difference in the composition of the Standing Establishment Committees set up to examine, approve and review the establishments of the Army, Air Force and inter-service organisations respectively. There is hardly any special merit in having these three separate committees when the functions performed by them are of a similar character; the constitution of the committees should be reviewed. For the Ministry of Defence, and for the integrated services headquarters also in case the Council system is adopted, there should be one such Standing Establishment Committee, which would examine proposals for increase of staff applying the principles mentioned in paras 4-5 below.

4. There should be an integrated examination, by a special committee, of the entire staff strength of the Ministry of Defence and the three Headquarters to ensure utmost economy and efficiency. This Committee, which should consist of one representative each of the Ministries of Finance, Home and Defence, preferably at the level of Joint Secretaries, should also make suggestions regarding alternative employment to be provided to personnel found surplus.

5. The present position in regard to temporary posts is hardly satisfactory. Strict criteria should be laid down for creating new posts. There should be periodical reviews to ensure that when posts, created for specific purposes, are extended, there is justification for their continuation. The authority competent

to create or extend a post should enquire why its purpose was not fulfilled within the duration originally laid down.

6. More than 500 persons with over 10 years' service had not yet been confirmed in the Services Headquarters because the relevant Rules for confirmation had not been finalised and some other related questions had not been settled. The various problems that arose in the course of framing the Rules for confirmation or for seniority should have been tackled more expeditiously; these should be taken immediate note of, at a high level, and a speedy solution found.

7. As the civilian staff in all the three Headquarters are borne on one common roster for purposes of promotions and confirmations, there is no justification for maintaining separate establishments for dealing with their day-to-day administration; the entire position should be reviewed.

8. It is not desirable to engage professional military officers in the Services Headquarters on routine administrative duties in place of civil servants, particularly when there is a general shortage of service officers.

9. The medium of the staff councils should be utilised to encourage the staff to bring forward suggestions for improving efficiency and standards of work.

### *III. Finance and Accounts*

1. (i) While the system of accounting in the three Services is more or less the same, there is a difference in the agency maintaining the pay accounts. For the Army, pay accounts are maintained by civilian personnel of the Defence

Accounts Departments. In the Navy and the Air Force the accounts are kept by their own Service personnel; the Defence Accounts Department only gives 'technical advice' and conducts a percentage audit of the accounts. (ii) It is not desirable to have three types of separate organisations for performing duties of a similar nature in the three Services, nor that the accounts staff of the Navy and Air Force should include service personnel.

2. There should be a review of

the existing Finance and Accounts organisation for the three Services so as to attain the objectives of economy, uniformity in the application of rules, and greater co-ordination between this organisation and the executive authorities. The patterns of the Defence Finance and Accounts organisations in U.K., as also of the Railway Financial administration in India, should be carefully examined to see to what extent they may be followed in the case of the Defence organisation in India.

*ESTIMATES COMMITTEE, 1957-58, 11th Report [Ministry of Transport and Communications (Department of Communications and Civil Aviation)—The Indian Telephone Industries (P) Ltd.] New Delhi, Lok Sabha Secretariat, 1958; ii, 108p., Rs. 1.37.*

The report mainly deals with the Indian Telephone Industries (P) Ltd., Duravaniagar, Bangalore; it also includes the Committee's findings on a few aspects of the telephone expansion schemes of the P. & T. Department.

The important conclusions and recommendations of the Estimates Committee are as follows :

#### 1. Organisation

1. Early action should be taken to appoint a Chairman with requisite qualifications and aptitude, who holds no post in the Secretariat or has severed his connection with the administration. Further, persons with business experience who might have no interests in private undertakings, and also persons of experience in financial matters and in tele-communication engineering, should be associated with the Board. To the extent possible, they could also act as functional advisers in various matters and provide technical services in the field of production, performance measurement, etc.

2. The Board of Directors should take maximum responsibility and function on business principles and not look to Government for guidance in matters where decisions could be taken by it.

3. The Board of Directors should concentrate on policy matters and measures to improve efficiency, economy and production, and there should be suitable delegation of powers to the authorities on the spot for execution of day-to-day work. Unless there is effective delegation, there can be no efficient functioning. With this end in view, the delegation of powers to lower authorities should be reviewed by the management. It should also be ensured by the various authorities that the powers delegated to authorities below are actually exercised.

4. It should be possible for Heads of the major Departments in the I.T.I., e.g., the Transmission and Engineering Department, to function directly under the Managing Director, especially since the present incumbent is himself a technical officer, while the General Manager might

control the other important Departments. Under this arrangement, it might be possible to abolish the post of Manager. The organisational set-up of the I.T.I. should be reviewed in the light of the above remarks, as well as of the position obtaining in modern undertakings elsewhere.

5. With a view to ensuring better coordination, there should be set up a Board of Management, as in the H.A.L., etc., consisting of the Managing Director and senior officers of the I.T.I., to assist the Managing Director in the exercise of his powers, functions and responsibilities, not in an informal manner but by holding meetings at regular intervals, maintaining records of proceedings, etc.

6. It is hard to appreciate the association of the Chief Engineer, P. & T., and the representative of the Ministry of Finance, with the Finance Committee, especially in view of the fact that they are stationed at New Delhi where they have other responsibilities also. There is no delegation of powers to that Committee so that all its recommendations have to be placed before the Board of Directors, three of whom constitute the Finance Committee. While important financial matters should be considered by the Board of Directors, there should be sufficient delegation of authority below that level for which purpose a Board of Management has been recommended. The question of the continuance of the Finance Committee may be re-examined.

7. The present system of having different Coordination Committees and procedures for P. & T., Railways and Defence is not quite satisfactory. A better arrangement might be to have one Coordination Committee with three to four Sub-Committees, each dealing with the requirements of

different user departments, and also a small office since that might ensure a closer coordination in production as well as in research programmes between the I.T.I. on the one hand and the different user departments on the other.

## *II. Production, Finance and Accounts*

1. The I.T.I. should impress on the P. & T. Department, the necessity of intimating actually the firm requirements sufficiently in advance and of not making changes in them frequently. For economical working, schedules once fixed should not be frequently altered since such changes result not only in decreased productivity but also in loss of work-flow and inefficient use of manpower and machines.

2. Efforts should be directed to improve the extent of actual production in the I.T.I., to diversify production, to reduce overheads, to remove the present imbalance in the capacity of different types of machinery, to utilise the existing idle machinery and surplus capacity to the full and to improve the capital output ratio.

3. A Technical Committee, consisting of one or two tele-communication engineers and a chartered and/or cost accountant, under the chairmanship of an experienced industrialist, should be set up at an early date, to review the working of the I.T.I. during the last decade. This Technical Committee may also look into the working of P. & T. workshops and its report should be made available to Parliament.

4. The increases of profit margins are unobjectionable so long as they assist in self-financing future development projects. The basic objective of a public enterprise like the I.T.I. should, however, not only

be to realise a financial profit but to produce the required products, to achieve the optimum output and to ensure production by economic and efficient methods.

5. Prompt action to liquidate all the outstandings should be vigorously pursued by the I.T.I. with the concerned departments, which now amount to Rs. 138 lakhs.

6. The expenditure trends do not reveal a very satisfactory picture in many directions. The expenditure of the I.T.I. should be regularly and carefully analysed and necessary action taken to control disproportionate increases.

7. (i) It is hard to appreciate wide variations between the actuals and budget figures, when the I.T.I. has an assured business on the basis of the cost of production. In order to minimise these, the standard of budgeting, which in turn depends on proper accounting and costing, should be improved. (ii) The entire system of accounting—financial, cost and stores—should be urgently got examined afresh by an expert team specially to be set up for the purpose. (iii) Considering the similar corresponding position in other State enterprises, the Government of India should urgently set up an Expert Committee to go into the system of accounting—finance, cost and stores—in all the State undertakings with a view to making it fool-proof and achieving standardisation of accounting procedure, to the extent possible, at least in all manufacturing units.

8. The annual accounts and reports of public undertakings, to be laid before Parliament, should be made far more detailed and exhaustive than at present. Here the annual reports and accounts of the nationalised industries in U.K. might be considered as a model. Further,

in order to enable Parliament and Parliamentary Committee to make a proper study of these undertakings, their annual accounts and reports for the preceding financial year should be laid before Parliament before the commencement of budget discussions.

### III. Stores

1. (i) The existence of Stores Purchase Committee in the I.T.I. is a very desirable feature, which may be adopted with advantage by other State undertakings. (ii) Considering that the annual purchase of the I.T.I. amount to Rs. 2.5 to 3 crores, the feasibility of associating non-officials with the Stores Purchase Committee may be examined.

2. Overstocking and shortages should be avoided by proper planning, and by stipulating realistic delivery dates for materials and imposing penalties on suppliers for failure to supply the materials in time; at the same time, full advantage should be taken of periods of low prices to accumulate stocks for future use.

3. An increasing use should be made of the system of sub-contracting; purchases should be decentralised; and a Telegraph and Telephone Equipment Committee, on the lines of the Railway Equipment Committee, should be set up.

### IV. Telephone Expansion Schemes of the P. & T. Department

1. The need for stream-lining the organisational set-up of P. & T. workshops with a view to ensuring greater coordination with I.T.I., even if common management for the two be not immediately feasible, as well as of rationalising the manufacturing operations in these units to fit in with the Telephone Expansion Schemes of the P. & T. Department,

should be constantly kept in view while making the reorganisation.

2. To facilitate effective co-ordination, the desirability of placing the Hindustan Cables (Private) Ltd. under the administrative control of the Ministry of Transport and Communications (Department of Communications) should be considered.

#### V. Personnel

1. The abnormal increase of factory staff without a corresponding increase in production indicates a decline in productivity of labour. Vigorous and determined attempts should be made to control staff strength and to correlate it with production; the present system should be thoroughly reviewed; and detailed job analyses and proper time and motion studies undertaken immediately in the various shops.

2. There is no justification for the grant of a conveyance allowance to six senior officers of the I.T.I. and the entertainment allowance to the Managing Director.

*ESTIMATES COMMITTEE,, 1957-58, 23rd Report, (Ministry of Education and Scientific Research — Central Social Welfare Board), New Delhi, Lok Sabha Secretariat, 1958, iv, 87p., Rs. 1.19.*

The more important findings and recommendations of the Committee are summarised below :—

#### I. General Observations

1. The activities undertaken by the Central Social Welfare Board give ample opportunity to women to show their talent in a sphere specially suited to them, and also serve as inspiration to a large number of women in villages who come under their impact.

2. Before starting a project, public co-operation should be enlist-

3. The reasons for the large number of resignations in the I.T.I. should be carefully investigated and appropriate remedial measures taken; wage incentives on a scientific basis should be introduced before long, as also an 'Attendance Bonus Scheme'; the suggestions scheme and awards should be better publicised and reasons given for suggestions not accepted; and a separate Welfare Fund should be set up, to be managed by a Committee consisting of workers only.

4. (i) A phased programme for training technical personnel in telecommunication equipment in the A.T.E.'s Works should be formulated; the adequacy of the training schemes should be continuously reviewed; and a scheme should be started to recruit and train qualified 'apprentice' draftsmen, tool-makers, designers, etc. (ii) A more senior officer, serving or retired, with experience of telecommunication engineering, should be put in charge of the I.T.I.'s Training School. (iii) "Training Within Industry" should be expanded.

ed to a reasonable extent and a continuous effort should be made to keep up that enthusiasm.

3. Expeditious steps should be taken to delegate more and more powers to the State Boards for supervision of welfare activities and sanctioning of grants to State welfare institutions and for developing such institutions.

4. The Programme Evaluation Organisation should be suitably strengthened to undertake a continuous evaluation of the activities of the Central Board.

## II. The Organisational Set-up

### (a) Composition

1. There should be two members from the Lok Sabha and one member from the Rajya Sabha, in the Central Social Welfare Board.

2. The two non-official members of the standing committee of the Central Board should be elected by the Board instead of being nominated by the Chairman.

3. The Chairmen and members of the State Social Welfare Advisory Boards should be appointed by the respective State Governments in consultation with the Central Social Welfare Board as a whole, and the local legislatures should be given suitable representation on the State Boards.

### (b) Functions

1. To avoid the overlapping of effort between the Central Social Welfare Board and the community development organisation, that part of the Central Social Welfare Board's work which relates to rural development, especially with regard to women and children, should be in the charge of one Ministry (*viz.*, the Ministry of Community Development) rather than two.

2. The members of the Project Implementing Committee may be entrusted with some field work and allotted certain centres in the Project for effective guidance. The representative of village panchayats in the villages included in the projects may also be associated with the Committee, and some members of the Committee should be co-opted on the Block Advisory Committees for effective coordination.

3. The Ministry of Education should persuade the State Governments to entrust all the social welfare work in the States to the State Social Welfare Advisory Boards;

and the State Welfare Departments, wherever they exist, should function in close cooperation with the State Boards to avoid any possibility of duplication of efforts.

4. There is hardly any necessity of burdening the Union Ministry of Home Affairs at present with matters connected with the welfare of women and children, *e.g.*, distribution of grants for After-Care Homes and Shelters. All work connected with welfare of women and children at the Centre should be done by one agency, *viz.*, the Central Social Welfare Board.

## III. Recruitment and Training

1. In view of there being a number of autonomous Boards under the Ministry of Education and their number being on the increase, the Ministry should devise some independent machinery for the purpose of recruiting the higher grade staff of these Boards on the lines adopted by the Public Service Commissions.

2. For the posts of *Mukhya Sevikas*, women with background and experience of social service should be preferred even with some relaxation in educational qualifications as in the case of Social Education Organisers under the Ministry of Community Development. Some percentage of posts should be reserved for suitable candidates belonging to Scheduled Castes and Scheduled Tribes, with greater weightage in categories like mid-wives, dais, etc.

3. The required number of trained Gram Sevikas and dais are not likely to be available by the end of the Second Plan according to the present programme of training. To expedite and improve the training of personnel for welfare projects, what is needed is a fuller utilisation and expansion of the capacity of the existing Gram Sevikas training centres of the Kasturba Gandhi National Memorial Trust and other existing



centres; opening of new centres; encouragement of training of instructors for Kasturba Trust centres; greater attention to practical training of Gram Sevikas and inclusion of general instruction on family planning in their training syllabi.

#### IV. *Finances and Economy*

1. More than 50 per cent of the amount provided in the First Plan for social welfare activities lapsed at the end of the Plan. Greater care and vigilance should be exercised to ensure that the story of short-fall in expenditure of the First Plan is not repeated in the Second.

2. Utmost care should be taken to keep the expenditure to the minimum. Economies can be effected, among others, by sharing the jeeps with the personnel of the community development organisation and State Boards; obtaining equipment in bulk at cheaper rates; abolishing the post of the Administrative Officer; and making the two journals "Social Welfare" and "Samaj Kalyan"—self-supporting.

#### V. *Welfare Projects and Other Services*

1. Efforts should be made to extend the various activities to all the villages under a rural welfare extension project, by taking the assistance of the field staff of the community development organisation, wherever feasible.

2. Gram Sevikas in the rural welfare extension projects have not so far been able to extend their programme to all the five villages under their charge. In the projects of new pattern started in Community Development Blocks, the services of the Gram Sevaks (V.L.Ws.) and the Gram Sevikas should be suitably pooled. The Gram Sevika will look after particularly the welfare work for women, children and the handicapped.

3. Voluntary organisations should be encouraged to take up the work of the rural welfare extension projects even in the community development blocks, if necessary, by raising the quantum of grants given by the Central Board. In tribal areas, the projects should preferably be entrusted to voluntary organisations of long standing, working for the welfare of 'adivasis.'

4. Efforts should be made to reduce the present cost (Rs. 2.5 lakhs) of an urban family welfare project.

5. Slum areas in big towns and cities should be given preference for starting urban welfare projects. Such projects, if actively pursued, have the potentialities of evolving into multipurpose socio-economic centres round which other welfare activities for the poorer sections of the urban population can be built up in the shape of medical aid, educational and recreational facilities, child welfare centres, family planning centres, etc.

6. The feasibility of further simplifying the forms of applications for grants should be examined; the institutions should have option to fill in and prepare the forms in Hindi or other regional languages recognised by the Constitution.

7. The Board should evolve a suitable machinery to lay down certain standards of service in the light of latest developments in other countries; it should further furnish expert advice and guidance to aided organisations.

8. The reports, on activities of organisations receiving grants, should not be tied up with the certification of accounts; and the feasibility of associating local people, viz. Municipal Commissioners, M.L.As., and M.Ps. from the area concerned, with the inspection of institutions and assessment of their work should be examined.

## BOOK REVIEWS

*THE ORGANISATION OF BRITISH CENTRAL GOVERNMENT 1914-1956*; Ed. By D.N. CHESTER. London, George Allen & Unwin, 1957, 457p. 32s.

"Public Administration" as a subject of study has received recognition only in recent years. It is no wonder, therefore, that books on administrative history are by no means plentiful. As the cover page of this work on "The Organisation of British Central Government" announces, this is the first detailed account of how the structure of British Government developed since the beginning of the First World War. The organisation was last reviewed by the Haldane Committee which reported in 1918, but this Committee did not undertake a historical survey as has been done in this work.

From this point of view, the results of the survey conducted by the Royal Institute of Public Administration as embodied in this volume have special importance. This importance is enhanced by the fact that the period covered by the book, namely, 1914-56, has marked a significant change in the conception of the State and of the part which the State should play in guiding and controlling the life of the community. "At the outbreak of the First World War," as it has been stated, "the role of Government in Britain was still widely regarded as embracing only the three classic activities—the maintenance of internal law and order, the defence of the realm, and the conduct of external relations." The complicated structure of a modern welfare State had not been thought of. At the end of the period under review, on the other hand, there was hardly any sphere

of public life in which the State was not interested. This extension of the sphere of State activities necessarily meant an expansion of the organisation of Government; and the expansion brought in its train problems which a simpler form of Government did not have to face. The problem of coordination in a modern Government is a major one, and the account of the manner in which this problem has been faced and solved from time to time in the British Central Government is one of the most interesting features of the work under review.

The task undertaken by the authors is thus by no means an easy one. The book seeks to give a historical review of the growth of the organisation of the British Central Government during a period in which the growth has been specially rapid. It traces the growth in considerable details, and describes the adjustments made from time to time in response to changing conditions. The emphasis has been of facts, rather than on trends, and this makes certain portions of the book heavy reading. As a book of reference, however, it is of great value, for no significant change in the organisation has been overlooked.

The mass of details presented in the volume also helps to underline a basic truth about administrative organisations. As the concluding chapter of the book states, "There is no simple or single formula by whose application all the problems of administrative arrangement can

be solved." It is, of course, true as the chapter goes on to say that "it would be equally wrong to swing to the other extreme and to assume that there are no rules or guides to action. Indeed, . . . there is a good deal of knowledge and experience available for those who have to make decisions in this field." But these are no more than guides; they hardly satisfy the more exacting standard of a general rule. Administrative organisations are meant for the functioning of individuals grouped in such organisations. They, therefore, take their character from the individuals who constitute and manage them. In order to succeed, the organisations must be attuned to the needs, requirements and capacities of these individuals. It is not surprising, therefore, that no particular form of administrative arrangement can be regarded as good for all times and for all conditions. The past history and tradition, no less than the present conditions and the varying capacities of those in authority determine the shape of an organisation. A particular grouping of functions may be determined for no other reason than the Minister in charge is the person best suited to undertake this group of functions. A grouping so decided would be a perfectly valid one, calculated to yield much better results than a grouping arrived at on theoretical consideration and without

taking account of the personalities involved.

In the absence of generally valid rules, administrative arrangements must necessarily be a matter of trial and error, and of constant adjustments. An organisation which is capable of such changes is the one which is likely to survive. The account given in this book indicates clearly how within the comparatively short period of 1914-1956 various adjustments have been made; new forms tried, rejected or modified. The story is a continuing one, and no doubt at some future date an attempt will be made again to look back at the subsequent period, and continue the story beyond 1956. This book has performed a useful, in fact an essential task, and there is no doubt that this task will be undertaken and performed in future at periodic intervals. It may be possible on a future occasion when such a task is undertaken to have a different emphasis and to concentrate on the changes in organisation which have long-term significance, to trace the long-term trends which underlie such changes rather than to narrate chronologically the changes themselves. The present book, however, is a mine of information, and a careful perusal of the chapters is well rewarded.

—R.C. Dutt

*CLERICAL UNIONS IN THE CIVIL SERVICES*; By B.V. HUMPHREYS. Oxford, Basil Blackwell, 1958, xiv, 254p.

This first study of the trade union movement in the clerical ranks of the British Civil Service has been acclaimed as a much-needed history and a standard work on the subject. It is surprising that while the general trade union movement in Britain has had many chroniclers, black-coated unionism in the Civil Service which has been an outstanding success in

adaptation to a special milieu had so far not attracted any historian.

Dr. Humphreys has painstakingly collected her material from departmental minutes and the records and journals of the clerical unions, dating back to the middle years of the 19th century. The result is a well-documented and understanding account

of the struggle of the proletariat of the Civil Service for security of tenure and a middle class status. The more absorbing part of the book is that which deals with the formative years of the clerical unions and the agitational phase before the introduction of the Whitley system in the Civil Service. Here sober documentation is enlivened with accounts of dramatic moments when the Crown's otherwise obedient servants abandoned petitioning and waged war against the Treasury through their own journals, the national Press and Members of Parliament.

Dr. Humphreys ascribes the rise of trade unionism in the clerical service to the economic pressure to which the clerks were subjected in the latter half of the last century when the Civil Service was being expanded and reorganised. Before the wide dissemination of education in the community, lucrative positions were available in the Civil Service for the mere ability to read and write. As clerical labour became available in abundance, the old grades were downgraded and appointments came to be made on a temporary basis for long periods. Both insecurity and down-grading led to departmental groupings for collective bargaining. Later, when uniform grades were introduced in all departments, All-Service associations were formed to protect the interest of the members of these grades and to negotiate direct with the Treasury. With the passage of the Trade Union Act in 1887, these associations became a part of the broad current of trade unionism in the country and linked up with the Trade Union Congress and the Labour Party. The link with the Trade Union Congress continued until 1927 when it was severed under an Act of Parliament. The Act was repealed in 1946 and affiliation with the Trade Union Congress

restored, but the clerical unions were debarred from affiliation with political parties. Right till 1918, the clerical unions were given only grudging recognition by authority. In that year, Government accepted the recommendations of the Whitley Committee for a machinery of consultation between industrial employers and their employees in order to maintain industrial peace. Promptly, the clerical unions demanded extension of this principle to the Civil Service which, illogically, was denied. After a raging and tearing campaign, both in the Press and in Parliament, the clerical unions gained their point. Whitleyism in the Civil Service was then introduced in consultation with the clerical unions which were incorporated into the Whitley machinery. In fact, Whitleyism has been an outstanding success in the British Civil Service because it has been based on the strongly representative associations of the clerical employees which have accepted the limitations of the Civil Service, abjured the strike weapon as well as affiliation with political parties and sought to improve their conditions of service by reasonable negotiation. It is a tribute to this system that the recommendation of the last Royal Commission on salaries were speedily put into effect by agreement between the staff side and the official side.

In India, Civil Service trade unionism is yet in a formative stage. Until lately, employment under government has been more lucrative and generally more attractive than employment outside, and what is called a Service grievance is only of recent origin. The dispersal of offices in a vast country has also militated against the development of unionism. There has been no noticeable activity in this direction in the States, but under the Central Government, big associations have

been developing in departments like Posts and Telegraphs, Railways, and Audit and Accounts, where factors for cohesion have existed. In the Central Secretariat Services also, uniformity of grades has led to the growth of All-Secretariat clerical associations but their membership is not as representative as it is in the British unions and leadership is yet to develop. It is in these conditions that departmental staff councils were set up in the Central Secretariat in 1954 to provide a forum where members of the staff could meet official representatives to ventilate their grievances and express their views about changes in conditions of service. The staff representatives on these councils are directly elected and not nominated by the staff associations which continue to function separately. These staff councils are yet in a formative stage and have to develop stature. Their role is purely consultative unlike that of the British Whitley councils which determine

conditions of service by negotiation between the official side and the staff side representing mammoth unions. There is as yet no All-Secretariat council on the pattern of the National Whitley Council in the British Civil Service to deal with larger issues.

The book has a separate chapter on the vexed salary problem in a non-profit organisation like government, which is of topical interest to the Indian reader at a time when the Second Pay Commission is examining the pay-structure under the Central Government. She has collected statistics to show how real incomes in the British Civil Service have been declining or falling out of step with the rise in the general wage rates. Here also, as in Britain, the dilemma is to reconcile the fair wage claims of Civil servants with the general economic situation and the financial resources of the government.

—R. N. Madhok

**ROLE OF HIGHER CIVIL SERVICE IN INDIA ;** By DWARKA-DAS. Bombay, Popular Book Depot, 1958, vi, 260p. Rs. 12.50.

The development of Parliamentary Democracy and Welfare State in independent India has been raising the important problem of a proper orientation of the Public Administration to serve the new needs of the country. The public services have to maintain high standards of efficiency, integrity, responsiveness and responsibility if they are to play their crucial part successfully in the shaping of a new political and social order. Dr. Dwarkadas has attempted an analysis of the new administrative needs of India and has pointed out the dynamic role which the Higher Civil Service has to play if these are to be fulfilled effectively.

The author of the book provides a historical perspective of the deve-

lopment of the Higher Civil Service in the country from the days of the East India Company and also describes briefly the traditions of this Service in pre-Independence days. He analyses the present structure of the Higher Civil Service both at the Centre and in the States. He discusses the philosophical concept of the Welfare State, describes the planning and development functions of the administration in such a State and gives us, though briefly, a glimpse into the processes of decision-making and policy-formulation. He examines the relationship between the political executive and the Higher Civil Service as well as between the latter and the people. Lastly, he sums up the conditions for the effective fulfilment of the role of the

Higher Civil Service in the developing Welfare State.

The book is the result of patient research on the part of the author. He has not only looked into the scanty material on Public Administration available to persons outside the Administration but has drawn upon the literature available in the West on the administrative problems of a Welfare State. He has made use of the techniques of interview and questionnaire in eliciting the views of some high ranking administrators. It would perhaps have added to the utility of the book if he had also collected the reactions and experiences of the political administrators (*i.e.*, Ministers etc.) in regard to the problems of higher bureaucracy in India. The book, on the whole, has been written in a lucid fashion though at times long quotations from other books seem to mar the style to some extent.

There are a few deficiencies in the substance of the book. For instance, while discussing the concept of Welfare State, it might have been useful if the author had also dealt with the impact of Mahatma Gandhi's views upon the evolution of the Welfare concept in India. Again, he has not examined the prevailing human relations within the Civil Service and has not suggested any reorientation in the relations among the higher civil servants themselves as well as between the higher civil servants and the middle and lower ones. An administration is not likely to be as democratic in its outlook as will be desirable nor will there be a higher morale within it if there are class and caste feelings among the civil servants. Nor has the need for a proper understanding the cooperation between the specialists and the higher administrators received an adequate attention in this book. As time passes, the impact of science and

technology upon the administration grows stronger and deeper. This necessitates a proper adjustment in the relationship between the specialist and the higher administrator so that both can work in a team spirit, for dealing with the pressing problems of socio-economic reconstruction of the country.

There are also some mis-statements. The author is not wholly correct in saying that there is still only a part-time Principal in the I.A.S. Training School. Before 5th February, 1955 it was one of the Joint Secretaries of the Ministry of Home Affairs who also functioned as a part-time Principal but on that date, a whole-time Principal was appointed. Though he is also to act as a Director of Training, his primary responsibility, however, has been to look after the I.A.S. School, and more recently, also to supervise the newly-started I.A.S. Staff College at Simla. Again, it is not accurate to say that it was under the Act of 1833 that the open competition for the Covenanted Civil Service was actually instituted. It is true that the Act made a provision for a competitive system of recruitment but this provision was not put into practice. In the Charter Act of 1853 it had to be repeated and then alone action was taken for setting up a system of open competition. The author is also not right in stressing that the Collector in the District has no general assistants in the execution of planning and development work. In recent years District Planning and Development Officers and General Assistants to the Collector have been appointed in most of the States.

One may find it difficult to agree with the author on some points. While he has stressed the utility of formal training in providing a corps of civil servants with creative intelligence and inventive minds, he

seems to have under-estimated the importance of informal training at the hands of the senior officers which has an important role to play in the building up of the administrative standards. As regards corruption, the author's suggestion for the setting up of an Administrative Intelligence Bureau under a High Court Judge or the Public Accounts Committee for probings into malpractices on the part of civil servants is not an administratively sound proposal. In our view, it is not the function of a legislative committee or a judicial functionary to supervise regular-

ly detailed investigations into administrative irregularities and malpractices. On the other hand, the setting up of such an agency within the department itself is more desirable as has actually been done at the Centre in the form of Administrative Vigilance Division.

The book has been written from the broad angle of social sciences. Despite some of its limitations it is a useful addition to the much-needed studies on Public Administration of the contemporary India.

—B.S. Khanna

**INDUSTRIAL RELATIONS IN INDIA:** By CHARLES A. MYERS. Bombay, Asia Publishing House, 1958, xiv, 376p. Rs. 15.75.

That policy-making in Government is a very intricate and complex process, involving a multiplicity of agencies and factors—economic, social and political—, is refreshingly brought out in an illuminating manner in Prof. Myers' latest study. Though concerned primarily with the structure and functioning of industrial relations in India, it is highly valuable addition to the scarce material on problems of labour policy. Industrial labour has been defined broadly enough to include all types of man-power—including supervisory and managerial. The present labour policy of the Union Government is seen by Prof. Myers in the light of the various factors which have given it its present form and content, e.g., the growth of industry and entrepreneurship, the concentration of industrial control in a few agency houses, the importance of community and family in the structure and development of Indian business enterprises and labour, the development and commitment of an industrial labour force, the emergence of labour organisations, the managerial response to labour problems, the goals of economic development, the impact

of the Gandhian philosophy and way of life, and the expansion of the public sector, etc. The analysis is both penetrating and dispassionate; it is critical too, but Prof. Myers, who also puts forward in the book a plea for better utilisation of foreign technical assistance experts, is restrained in his criticism which he clothes in seemingly innocent but really very meaningful words. In fact, he only suggests, to readers in general and Government in particular, implications of a particular labour policy and the directions in which it may be modified if certain objectives were accepted by the Government.

Prof. Myers finds that the pattern of labour-management relations has increasingly been structured by Government. 'The overriding importance of economic development objectives, the concern for left-wing and Communist capture of labour protest and the shortcomings of managerial attitudes and policies towards utilisation of labour have all combined to bring Government into the control of labour-management relations to a degree unthinkable in most Western countries today.' Referring

to the non-implementation of the provision of the Trade Union (Amendment) Act of 1947 in regard to "unfair labour practices," Prof. Myers further observes that "but for the most part it is difficult to conclude that a strong, independent trade union movement is among the top priorities in government's present labour policy. This reflects, in part, the lack of agreement in government and trade union circles on what ought to be done to strengthen unions; but it reflects even more, in my judgment, the need for government to retain some control over those activities of the labour movement which might hinder economic development objectives. This concern is understandable and defensible."

While defending the present control by Government over the labour movement, Prof. Myers does not forget to present the other side of the picture too. "But when government is forced to take more of the initiative for economic development in underdeveloped countries today, the labour movement tends to be regarded (by government officials and by some trade union leaders) as an instrument of economic development in the interests of the whole nation, rather than as a class group. The danger here, of course, is that the labour movement may become a labour front, as in totalitarian countries. So long as India remains dedicated to economic development by democratic means, this danger must be borne in mind by trade union leaders and government officials alike."

Equally interesting are the observations on the respective roles of collective bargaining and compulsory adjudication. "Compulsory adjudication remains a 'way out' of serious labour strife in the face of rival unionism, including Communist

unions. For government, it provides a measure of control consistent with planning objectives and with the belief that it is better to let an impartial third party decide what is right, if two parties cannot agree, than to permit them to fight it out." Again the reasons given for the retention of compulsory adjudication in India in the near future are more compelling than the reasons advanced for scrapping it. Those who propose the latter, influenced as they often are by Western experience, need to reconsider the *context* and *timing* of economic development in which completely free collective bargaining can work. It ought to be realised, however, that once a country adopts compulsory adjudication, it is not easy to reverse the pattern and move to freer collective bargaining."

At the same time Prof. Myers favours collective bargaining relationship and would like its small but growing number of examples to be studied carefully, and also more experimentation by Indian employers (but he is quick to qualify his statement by adding)—"at least if they seek an alternative to complete State intervention and structuring of labour-management relations." Again, "if government wants to provide the conditions under which collective bargaining can develop effectively, it must resolve the indecision with which it is now confronted and develop some India-wide method of determining the most representative union with which employers are expected to bargain. If, on the other hand, government prefers to perpetuate its present measure of control over the labour movement, perhaps rival and fragmented unionism is congenial to this objective. From another point of view, rival unionism, as we noted earlier, is not an unmixed evil; for it may keep a measure of freedom and vigour in the labour movement



that would not otherwise exist. One united labour federation would be either more independent or less independent of government, and probably the latter is more likely at this stage of India's economic development."

The above examples—of governmental control of labour movement and of compulsory adjudication *vis-a-vis* collective bargaining—broadly show that Prof. Myers does not intend to resolve any particular dilemma for us; he only weighs the pros and cons of the various solutions and indicates the circumstances and objective for which they would be appropriate. Incidentally the process has involved a thorough analysis of local circumstances and situations, which is a formidable task for any foreign observer or expert. This is an approach which deserves to be more widely followed by foreign experts coming to India in the interest of ensuring that their findings and conclusions are not only relevant to the local circumstances but also do not cause offence to the Government and the people.

Another important contribution made by Prof. Myers in the present volume relates to the improvement of personnel management in the industrial sector in India, both private and public. Prof. Myers points out that the approach of many managements in India in utilising human resources and in dealing with labour problems is still characterised by authoritarianism and paternalism. Superior-subordinate relations in Indian industries are often marked by order-giving and subservience to superiors. The Indian worker is as good as his counterpart in other countries, given the same equipment and the same state of health. His aspirations are not greatly different from workers in other industrial societies, despite cultural differences.

Prof. Myers holds that while the ingredients of a modern personnel administration programme may not wholly apply to an industrially underdeveloped country like India, the successful experience of a number of foreign companies in India suggests that the amount of transferability is substantial. "People at work tend to respond to fair, consistent treatment in the same way in most industrial societies, and Indian workers are not exception, despite all the differences in culture and social structure." "When management treat labour officers solely as agents for administrative discipline, handling grievances and performing 'unpleasant tasks,' they have failed to understand their own responsibilities as managers."

Indian managements also lack in regard to delegation of responsibilities, effective communication channels and development of management personnel. Indian labour though plentiful, is no longer cheap, partly due to poor performance and indiscipline and partly because of inadequate managerial policies and legal requirements which limit managerial flexibility in utilising labour. Management policies which were politically adequate in the 19th century in other developing countries are politically explosive in the mid-twentieth. Prof. Myers, therefore, urges that adequate attention should be paid to programmes of managerial training and to the question of building an effective organisation for Indian enterprises to provide greater opportunities for middle management to participate in important managerial decisions and have access to higher managerial positions. Recognition of the value of professionally trained management needs to grow faster than at present.

On the question of 'worker participation in management,' Prof. Myers

has some interesting views. "If 'participation in management' means joint sharing of decision making at all levels, the consequences of such assistance of effective managements have not been understood, and clearly Indian union leaders will not be prepared for this type of responsibilities for a long time.... But if 'participation' means greater consultation between management and labour, then unions and workers will clearly benefit (as well as management). The importance of adequate preparation for joint consultation of this type cannot be overstressed...."

Prof. Myers has a word of advice for the public sector also. "While there were notable exceptions, government enterprises were not regarded widely by trade union officials as more enlightened in their labour-management relationships than the bulk of private employers, and were said to be more backward in a few cases. Government needs to give more specific attention to management training and development for public enterprises, better personnel policies, and more workable relationships with trade unions and works committees. If government is serious about promoting 'worker participation in management,' it might well begin with its own enterprises and establishments."

The study reveals throughout the writer's keen power of analysis and extraordinary ability of synthesis. Among the manifold factors, leading to growth and development of industrial labour, reference has been made to the influence of the social and cultural patterns, for instance, the low respect in which businessmen are held in India; anti-cow-slaughter sentiment which results in waste of animal resources; outbursts of violence (involving also British managerial personnel in India), the impact of the Gandhian way of life on industrial

development, etc. Says Prof. Myers, "The price of political stability in India today may well be some slowing down of the pace of modernization in the older established industries. New industries, of course, can more easily adopt modern techniques since there is no presently employed labour to be displaced and to protest." Among the benefits of the British rule, listed in the book are "(a) a trained Indian elite represented by the Indian Civil Service which provides a quality of government administration unique in industrially underdeveloped countries; (b) an educational system which helped to produce this elite and has left a common core of knowledge and a language of the elite (English) in a sub-continent of many linguistic, religious, and racial groups; (c) an English legal system which has helped to preserve individual rights."

While the study is characterised by richness of material and imagination and bibliographical notes, it does not however attempt to answer some of the basic questions relating to industrial relations. For instance, no light has been thrown on the ability of the productive system in India under the proposed socialistic pattern of democratic society to sustain an ever-rising level of wages for industrial workers. Nor has any remedy been suggested to alleviate the hardship of retrenchment due to rationalisation and modernisation. The respective roles of both private and public sectors in economic development of the country have been brought out; but little has been said how the growth of the public management in the field of industry is likely to affect the future pattern of employer-employee relations. Prof. Myers has presumed, and may be justifiably, that the present trend both in wages and employer-employee relations will continue, and that what is needed is to build up an

effective organisational structure and a sound system of personnel management. The analyses and conclusions are both revealing and thought-provoking, one only wishes that these were carried a step further to include

some of the more fundamental problems which the country is going to face with the enormous expansion of public management.

—R. S. Pande

*LOCAL GOVERNMENT IN THE U.S.S.R.*; By CHUNILAL D. BARFIVALA. Bombay, The All India Institute of Local Self-Government, 1958, ii, 94p.

The handbook attempts to give a brief account of the Local Government in the U.S.S.R. It lacks both in comprehensiveness and critical approach. Village and City Soviets have been described but little has been said about the Local Government set-up of the district and the region. The Soviet theory of the constitution and of Local Government has been accepted at its face value, and the gulf between theory and practice of Russian institutions has received scant attention. The treatment would have been more

comprehensive if the pages which have been written on the Russian Constitution and Marxian theory had been devoted to the subject in hand.

The book would be useful to those who have to make their first acquaintance with Russian Local Government. The historical background and the bibliography at the end are commendable features of the book. An index is lacking.

—M. P. Sharma

*ESSAYS ON 'THE WELFARE STATE'*; By RICHARD M. TITMUSS. London, George Allen & Unwin, 1958, 232p. 20s.

Like the police State of the 19th century, Welfare State in the 20th century is a succinct expression for the dominant aspects in the current political theory. The advances in science and technology, industrialization and urbanization have rendered the assumption of responsibility for their own welfare difficult for the individual and the family but easy for larger voluntary associations and State departments. The provision of environmental, financial and occupational welfare services on a mass scale is economical and efficient when they are undertaken by large associations. This in brief is the *raison d'être* for the welfare State. The concept, however, has a mixed reception. While the less fortunate sections of population expect a great deal from it, the rest resent its paternalistic implications. While some

welcome it as the middle way between Capitalism and Communism, others oppose it as leading to a "servile" or "ill fare" State. This mixed reception to the concept of Welfare State may be attributed to a confusion in understanding about its origins and development. Recent literature on the subject has been attempting to remove the confusion. But many books give more a descriptive account of the developments in social services in England or Sweden or other countries than deal with the logical and philosophical implications. Prof. R.M. Titmuss, however, ably discusses in his works the logical relationship between social services and the modern industrialized or urbanized society. In the words of the author himself, "The social services, (however we define them) can no longer be considered

as things apart, as phenomena of marginal interest, like looking out of the window on a train journey. They are part of the journey itself. They are an integral part of industrialization." His monumental work on Problems of Social Policy in the History of Second World War Series is a pioneer study.

Though the present work is a number of essays (written between 1951 and 1957) brought together in a book form, there is a certain unity among them. The first chapter deals with Social Administration in a Changing Society. In this, the author deals with the origin of the Social Science Department in London University, with certain aspects of the historical development of the social services and with the inter-relationship between social changes and social services. The second chapter deals with the Social Division of Welfare. In this chapter brief reference is made to the contemporary thinking about social policy and the underlying assumptions. Developments in the threefold fields of welfare namely, social, fiscal and occupational, are considered in relation to the trends in the division of labour and the search for social equity. In drawing together the threads of arguments the author opines that "much of the criticism and all the complacency about 'The Welfare State' is either irrelevant or unbalanced and that we need to re-examine, by returning to first principles, current notions of what constitutes a social service." The third chapter contains an analysis of contrasting pension systems (public and private) in the context of population change. Discussion in this chapter is directed towards certain aspects of social provision for old age, particularly, the issues raised by the report of the Philips Committee on the Economic and Financial problems of the Provision for Old Age (1954)

and five other related State documents. The three succeeding chapters, War, and Social Policy, the Position of Women, and Industrialization and the Family, draw attention to "one of the major tasks of the second half of the twentieth century" namely, "to reformulate the philosophy of social policy and to rescue it from its present inhibitions derived from a 'Welfare State' ideology." These three chapters contain a stimulating discussion, a broad yet a deep analysis of the impact of industrialization and war on family and society. Chapter seven on The Hospital and its Patients contains a vivid picture of the administrative problems of a large-scale social service organization and an earnest appeal for humanizing the administration in the hospital which in depth and range of complexity, has, as a social institution few rivals today. Chapters eight, nine and ten are Sherril Foundation Lectures delivered at the Law School, Yale University, U.S.A., in April 1957. They deal with the National Health Service in England—Some Aspects of Structure, Some Facts about General Practice, and Science and the Sociology of Medical Care. These lectures contain material of much interest to audience outside U.S.A. too as the attempt to make the advances in medical science available to the people at large without reference to individuals' means is a matter of serious concern for people all over the world. What distinguishes the present age from the past is the enlarging sphere of "provided" as against "purchased" services. But the administrative problems of providing professional services which were formerly the preserve of the privileged few are indeed staggering and Prof. Titmuss unravels in these essays many of these problems and makes constructive suggestions for improvement.

Essays on the Welfare State have a special appeal and a particular

interest to the people in India and similar countries passing through the preliminary phases of industrial and economic development. Most of the countries have adopted the welfare State as the goal of their social policy but enthusiasm about the Welfare State as a goal of social policy is not matched by an endeavour to understand its social and administrative implications. Bulk of the population living in these countries are becoming aware of the "gulf between what is and what might be in their conditions of life" and as the author rightly observes "we seem to have passed into an age of explicit discontents and of more articulate expectations." While most of the long industrialized countries of the West are "still heavily burdened by the as yet 'uncompensated dis-services' of the earlier stages of their economic growth, while the rapidity of change in the highly industrialized societies during the last one hundred years has put the family on the defensive, forcing it to choose between kinship and economic progress," the people of Afro-Asian countries are trying quickly to catch up with the industrialized West. Studies are being made under the auspices of the U.N.E.S.C.O. on the problems of the impact of industrialization on traditional cultures; efforts are being made to avoid the 'social costs' of progress in economic and industrial spheres by simultaneously developing social and welfare services. Some wonder whether it would be possible to develop industrially without paying the costs of progress notwithstanding the emphasis on simultaneous development of social services. The bewildering variety of welfare activities, spread over a large area without adequate financial or personal resources, the large measure of departmentalization of welfare services administered from above and not well-supported by voluntary action

in these countries lend support to the above doubts. These elements also add to the already existing confusion in the subject referred by the author, namely, "The lack of any precise thinking about what is and what is not a 'social service' confuses and constrains the social conscience and allows the development of distinctive social policies based on different principles for arbitrarily differentiated groups in the population."

After reading the essay on Pension Systems one begins to reflect whether the problem of the old aged population is properly approached. Adequate pensions no doubt have to be paid but the more important question is whether the attitude towards the aged is not vitiated largely by financial security, whether in old age, people do not need emotional satisfaction as much as financial security, whether by virtue of the "flat" life in urban areas, we are not creating the problem of confining the aged to special institutions and consequent lack of affectionate care for the aged. It remains to be seen whether the newly industrializing countries which have the additional problem of rapid population growth can solve the problem in a different way. Their kinship family system might be an advantage but can it stand the buffets of economic progress?

While admitting that the social services are an integral part of the industrial-urban society, one may still raise the question whether and to what extent we can build into the administrative structure checks and devices which would ensure personal satisfaction for the large mass of clientele without the costs of administration exceeding the costs of benefits themselves? What proportion of costs of social services goes towards administering the services

makes an interesting study. A more interesting topic for discussion is the degree of social responsibility and the extent of welfare to be provided without destroying the freedom and self-reliance of the individual and the family. In other words, where do we draw the limits for the Welfare State? The concept of national minimum no doubt seeks to limit but the rising costs and standards of living make the concept not a sure guide for drawing the boundaries. One may question here whether one need distrust the State and limit its jurisdiction. The problems of

poverty and disease are so vast and varied that probably one need not seek to answer the question for some more generations to come. It may be hoped that Prof. Titmuss will throw light on these problems in his subsequent works.

The essays by Prof. Titmuss are eminently readable; they contain a deep and penetrating analysis and add to the understanding of the need for large-scale social services in a large-scale industrial and urban society.

—V. Jagannadham



## BOOK NOTES

*MODELS OF MAN*; By HERBERT A. SIMON, London, John Wiley, 1957, xiv, 287p. \$5.00

Though primarily a collection of 16 mathematical essays on rational human behaviour in a social setting, the book deserves special notice by students, scholars and practitioners of administration in India in regard to the new light it throws on "rationality and administrative decision-making" (Part IV). The author propounds a new theory of human rationality—of 'bounded rationality.' Disestablishing the classical concepts of human rationality of the 'economic man,' of the 'administrative man,' and the modern theories of 'games and economic behaviour' and of 'statistical decision,' Prof. Simon explains that man's rationality does not represent an objective orientation to the real world, but only a subjective orientation to his incomplete picture of it, and that the human process of rational choice is in actual practice concerned not with the goal of *maximizing*, but with the goal of *satisfying*, of finding a course of action that is "good enough." The fuller implications of the new theory of 'bounded rationality' for decision-making in public administration are seemingly far reaching; it points to the constraints imposed on the 'administrative man' and the 'administrative organisation' by social and psychological settings. Some of these implications had earlier been discussed by Prof. Simon in his *Administrative Behaviour*.

*PARISH ADMINISTRATION*; By CHARLES ARNOLD-BAKER. London, Methuen and Co., 1958, xiv, 430p. 42s.

This is a descriptive and comprehensive treatise on the administra-

tion of rural parishes by Parish Councils, Parish Meetings and other Parish Authorities, by the Secretary of the National Association of Parish Councils of France. The first part deals with the structure of parishes, the nature, composition, work procedures, conditions and personnel of the Parish Councils and their finance, powers and programmes. In the second part are contained reprints of the relevant French statutes from 1838 to 1957. The book is rich with footnotes, and designed as one which "a lawyer might...consult but which nevertheless a layman could understand."

*ANONYMOUS EMPIRE*; S.E. FINDER. London, The Pall Mall, 1958, vii, 150p. 12s. 6d.

It is an interesting study of 'Lobby' in Great Britain, which the author defines as 'The sum of organization in so far as they are occupied at any point of time in trying to influence the policy of public bodies in their own chosen direction; though (unlike political parties) never themselves prepared to undertake the direct government of the country.' The great influence it exercises on the Governmental process, how it works, and its relation with, say, the public, Whitehall, Westminster, members of Parliament, etc., are discussed in detail, supplemented with relevant examples. The title 'Anonymous Empire' has been chosen because the lobbies' day-to-day activities pervade every sphere of domestic policy, in every way and at every nook and cranny of government, thus forming an empire in themselves—but an anonymous one.

The book also contains information on 'The House of Commons by Occupation,' connections of M.Ps.

with 'Outside Bodies' and 'Local Government in Parliament.'

**JUNIOR BOARDS OF EXECUTIVES;** By JOHN R. CRAF. New York, Harper & Brothers, 1958, xxi, 162p. \$3.50

The book contains an analytical review of the composition, bye-laws, methods of operation and accomplishments of junior boards of directors or executives in 21 American companies. The author's conclusion about the use of these boards as an instrument of training for higher management duties, as a means of valuable suggestions and ideas from middle-management, and as a channel for participation of middle-level employees in management should be of interest in the context of the recent emphasis in India on labour participation in management. Junior boards are conceived as one of the three major elements of 'multiple' management, the other two being factory boards and sales boards. Their object is threefold : 'to provide opportunity for junior executives and young men of potential ability to participate in the management of the company; to provide a clearing house for their ideas and a forum for expression of their opinions in management; and to train and educate them in over-all company operations.'

**LEADERSHIP ON THE JOB;** Ed. by the Staff of SUPERVISORY MANAGEMENT. New York, American Management Association, 1957, 303p. \$6.00

This handbook is a collection of 41 instructive contributions from specialists in various aspects of industrial management and human relations and is concerned with "the ways good supervisors have found to deal with the bigger problems of the job and bring them down to size." It

is divided in eight major parts: 'The Managers Job,' 'Communication is Management,' 'Building and Developing a Competent Workforce,' 'Employee Attitudes : The "Raw Materials" of Morale,' 'Special Personnel Problems,' 'Managing your Job,' 'Union-Management Relations' and 'The Job beyond the Job—Community Relations.' The treatment of each subject is in the form of tips and suggestions for the supervisor for solving everyday problems and enabling him to lead on the job. Some of the contributions worthy of notice are "Decisiveness and Leadership," "Selection and Placement," "Supervision and Productivity," "Delegation : What are the Barriers?" and "Your Community needs Leaders."

**BUDGETARY SYSTEM IN VARIOUS COUNTRIES;** By S.L. SHAKDHER. 1958, xii, 123p. Rs. 3.00

This report, prepared by the author in his capacity as a *Rapporteur* of the Autonomous Section (now called Association) of the Secretaries-General of various Parliaments, covers the budgetary systems of 21 countries, including India, Pakistan, U.K., U.S.S.R. Divided in four chapters, the report gives a descriptive analysis of various aspects of budgetary procedures *viz.*, 'Form and Preparation,' 'Presentation and Discussion,' and 'Execution of the Budget and the Control thereon by Parliament.' The last chapter deals with certain general aspects of budgeting in regard to State corporations, audit and accountability of State corporations, public borrowing, excess grant, etc. The significant resemblances and differences between the systems obtaining in the Parliaments of the countries covered in the report have been pin-pointed.

The final report, adopted at the London Conference of the Secreta-



ries-General of Parliaments in September 1957, is also appended.

*JOURNAL OF THE INDIAN LAW INSTITUTE*; New Delhi, Indian Law Institute, October 1958, Vol. I, No. 1, 206p. Rs. 4 or Sh. 7.6 or \$1.25

This is the first issue of the official quarterly organ of the Indian Law Institute, which was established in December 1957 under the Presidentship of Shri Justice S. R. Das, Chief Justice of India. Edited by Dr. A.T. Markose, it is intended to be the vehicle for the transmission primarily of the research activities of the Institute and also of original legal materials and contributions from the Bench, the Bar and the Law Faculties of Universities, and contains articles, legal cases and comments. The present issue includes mostly texts of the contributions to the Seminar convened by the Institute in December 1957 to focus attention on problems of Public Law in India with special reference to Administrative Law.

*THE STUDY OF POLITICAL BEHAVIOUR*; By D.E. BUTLER, London, Hutchinson, 1958, 128p. 18s.

This is a refreshingly interesting study of the methodology through which political behaviour can be investigated. It emphasises an empirical study of Politics by concentrating attention on the behavioral aspect—a study that stresses the character and conduct of those concerned in politics much more than events, institutions or ideologies. The major ways of studying political behaviour have been classified and discussed under four heads, the deductive approach, the descriptive approach, the sociological and psychological approach, and the practical approach. This classification,

however, is not too rigid and the author thinks that the four approaches can usefully supplement one another. The contributions of eminent writers on politics and government to each of the four approaches is briefly touched upon in a broad historical perspective, and their limitations are also examined. Although in recent years there have been in Political Science many innovations in method and approach, there have been no spectacular advances and a vast amount of progress can be made through the patient pursuit of the existing lines of research, in particular by accurate observation, description and analysis of the government and of the forces that move men politically.

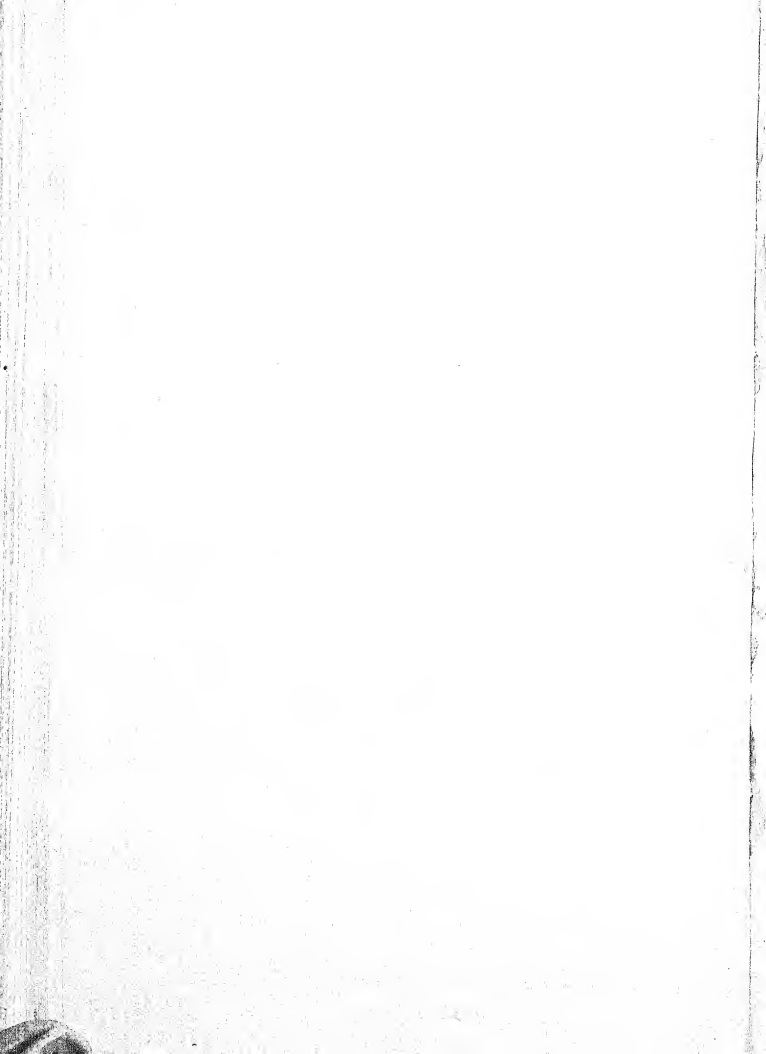
*THE GROWTH OF PUBLIC EMPLOYMENT IN GREAT BRITAIN*; By MOSES ABRAMOVITZ & VERA ELIASBERG; Princeton, Princeton University Press, 1957, xiii, 149p. \$3.75.

The book surveys the growth of public employment in Great Britain in the nineteenth, and more particularly in the first half of the twentieth, century. The statistics of public employment in Great Britain are presented in the context of a brief account of economic and political changes and of the development of ideas and attitudes in Britain. The changes in the size of employment are analysed in detail for the three chief branches of government—the central government, the local authorities and the nationalised industries. Certain implicit hypotheses are suggested in regard to the causes of growth of public employment and the main trends in the size of public employment at different levels in Great Britain and the United States are compared to throw some light on these hypotheses. The comparisons suggest to the authors that the relationship between economic

development and size of government is not simple; there are other significant forces also at work. The growth of government generally follows economic development only after a more or less protracted interval. The authors conclude with the cautious note that "The international comparisons....made and the explanatory hypotheses....entertained were and, indeed, could be no more than incidental and tentative explorations in a study whose aims were more modest—to compile measures of the direct use of labour by the British government and to describe its expansion in the context of a summary of major developments influencing British governmental activity."

*THE NEW ADMINISTRATOR*: Madras, New Administrator, November 1958, Vol. 1, No. 1, ii, 54p. Re. 1.

It is a new, *popular*, monthly journal, which professes "to promote the cause of pure, economic and efficient public administration." Shri M. Ruthnaswamy, formerly Chairman of the Madras Public Service Commission, is the Chairman of its Editorial Board. The first issue includes a profile of Shri N.R. Pillai, I.C.S., the views of the late Shri Gokhale about "Lord Curzon as an Administrator" and some reminiscences of Shri S. K. Chettur, I.C.S., as a Sub-Collector.



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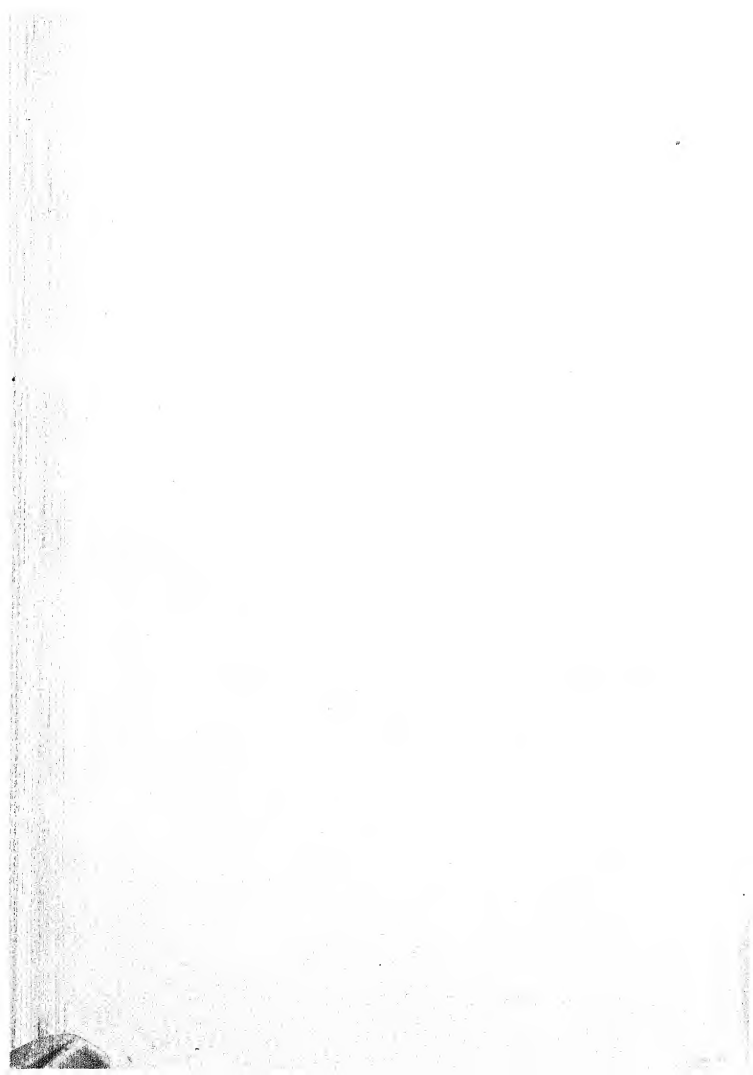
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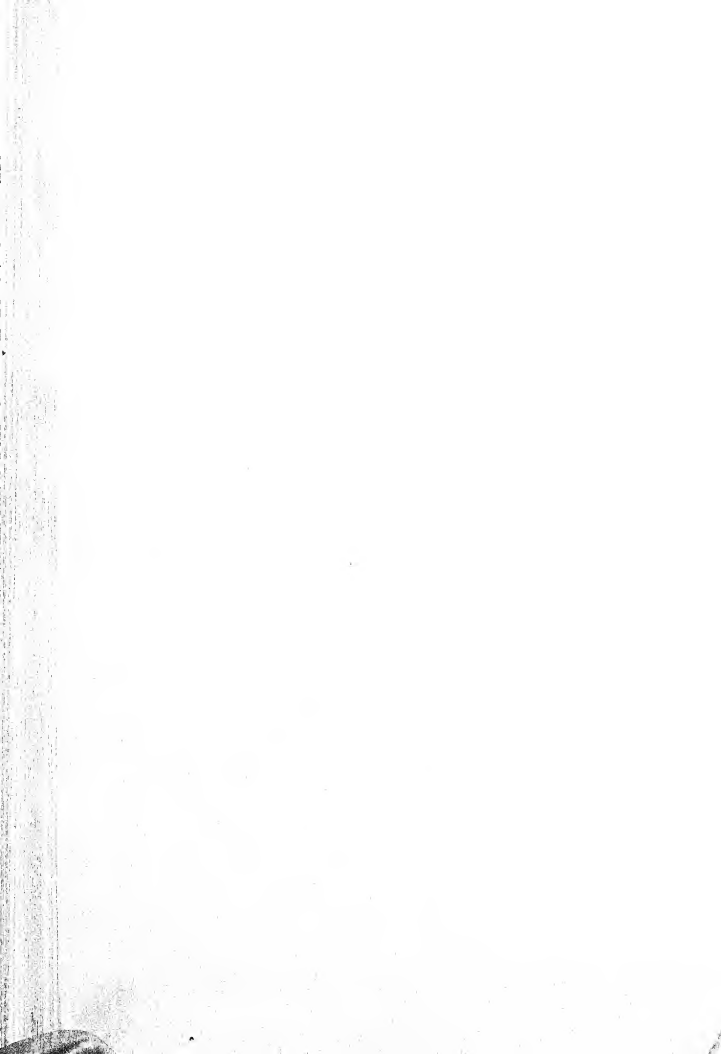
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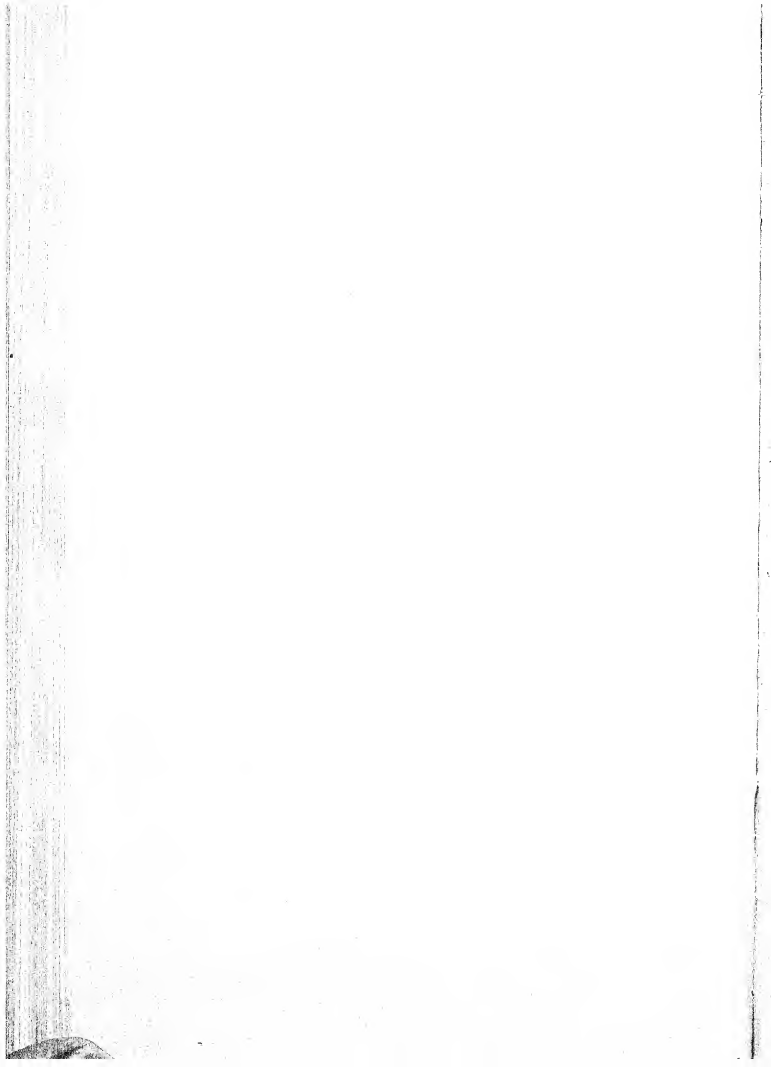
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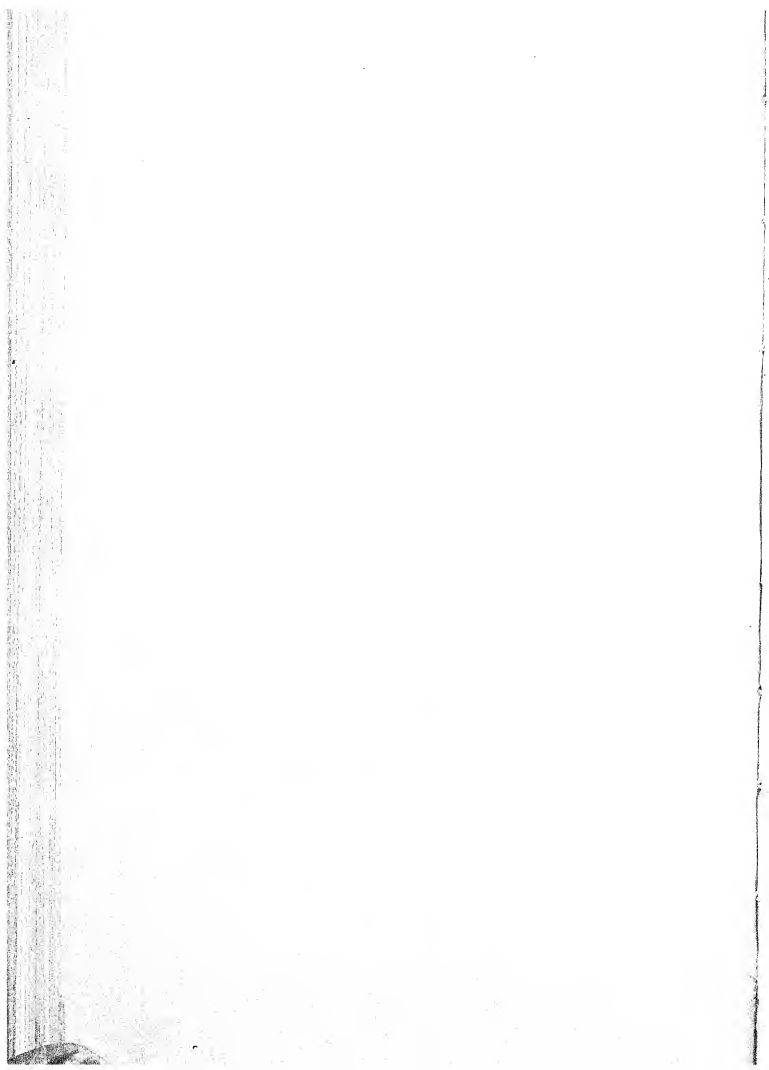
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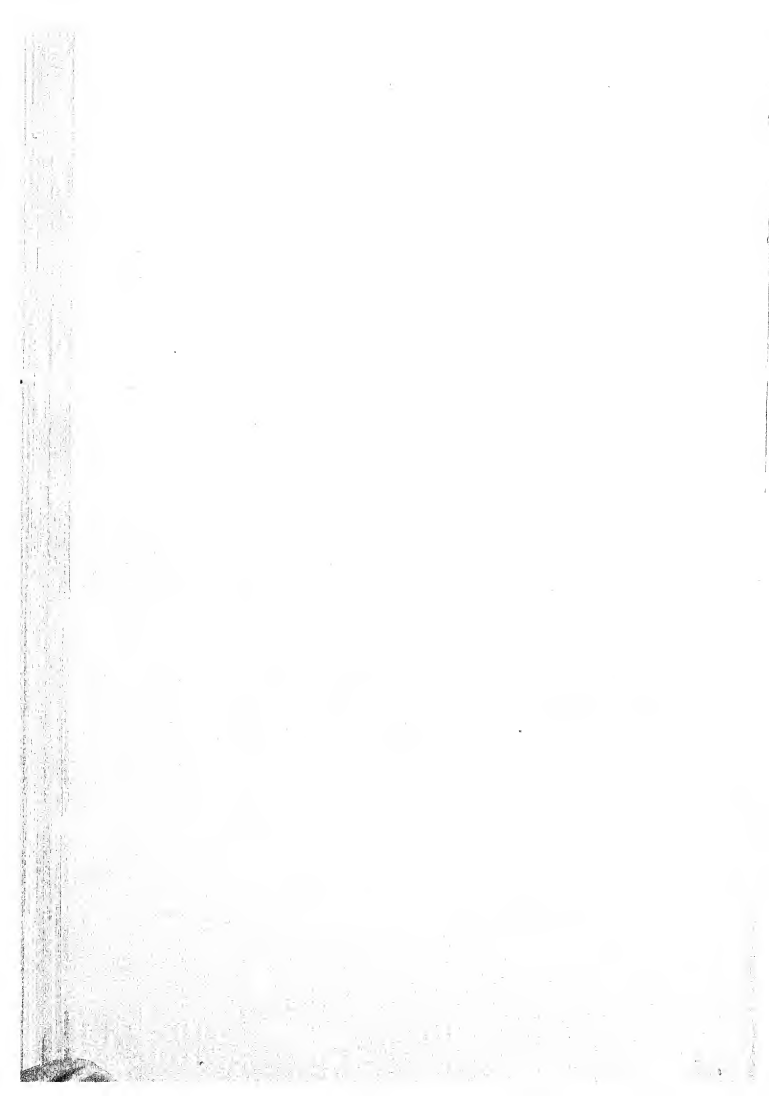
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